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# China Report

ECONOMIC AFFAIRS

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## CHINA REPORT

### ECONOMIC AFFAIRS

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## NATIONAL POLICY AND ISSUES

### FORUM STRESSES STRUGGLE AGAINST ECONOMIC CRIMES

HK261356 Urumqi Xinjiang Regional Service in Mandarin 1650 GMT 24 Apr 82

[Text] The recent Xinjiang Regional Forum of Industry and Commerce administrative bureau directors emphatically pointed out: Industry and commerce administrative departments at all levels must seriously implement the decision of the CCP Central Committee and the State Council on striking blows at serious criminal activities in the economic sphere and regard striking blows at speculative and profiteering activities as this year's central task. Under the unified leadership of CCP Committees at all levels, they must organize forces and take measures to strike severe blows at speculative and profiteering activities to ensure the successful progress of the building of socialism.

The forum pointed out: Over the past few years, speculative and profiteering activities have run rampant in a small number of places and the number of big and serious cases has increased. The number of cadres, staff members and workers in organs, organizations, enterprises and units, particularly state and collective units, who have engaged or participated in the speculative and profiteering activities has increased. Some of them have even been supported by certain leading cadres. Of these big cases, the cases of conspiracy and offering and receiving bribes have increased.

Industry and commerce administrative departments are comprehensive state economic management departments and the main organs to investigate and deal with speculative and profiteering activities. In the course of waging the struggle against criminal activities in the economic sphere, they have shouldered important responsibilities. Therefore, industry and commerce administrative departments at all levels must take a serious view of this struggle. Regarding cases under investigation they must verify the facts and on the basis of authentic evidence, deal with them in accordance with the law. They must resolutely correct the wrong ways of dealing with cases using economic rather than punitive measures. They must affix the economic as well as legal responsibility of the criminals for big and serious cases and cases of conspiracy. State personnel who participate in, harbor or connive at criminal activities must be severely punished. Big and serious cases which involve leading cadres must be impartially dealt with.

The forum pointed out: it is essential to strike blows at speculative and profiteering activities under the unified leadership of CCP committees at all levels. In close coordination with public security departments, banks, postal

and telecommunications and communications departments, industry and commerce administrative departments must support each other and engage in the struggle cooperatively. They must strengthen investigation and study. While dealing with big and serious cases which involve a relatively large number of people and units, they must fully take the mass line and within certain limitations, mobilize the masses to conduct investigations and mobilize the masses who know the situation to expose, accuse and supervise people who commit serious crimes. The departments can hand over to the masses certain cases directly connected with the latter for discussion and for hearing their views.

The forum also discussed the problem of restoring and controlling the market for daily-use industrial products and small commodities. Regional CCP Committee Secretary Qi Guo spoke at the conclusion of the forum.

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## NATIONAL POLICY AND ISSUES

### HEILONGJIANG DEALS BLOWS AT ECONOMIC CRIMES

SK240504 Harbin Heilongjiang Provincial Service in Mandarin 1100 GMT 23 Apr 82

[Excerpts] According to our reporters, at a meeting of leading cadres of provincial organs sponsored by provincial CCP Committee yesterday afternoon, Chen Lei, secretary of the provincial CCP Committee, emphasized the need to conscientiously study and implement the decision of the CCP Central Committee and the State Council on dealing blows at serious criminal activities in the economic field and carry out the struggle in depth in provincial organs.

In his speech, Comrade Chen Lei said: The struggle to deal blows at serious criminal activities in the economic field is being carried out in depth throughout the province. The development of the struggle has been healthy, and its results are good. When the struggle was being carried out in depth step by step, the CCP Central Committee and the State Council issued the decision which requires our conscientious study to help improve our understanding of the significance of the struggle to deal blows at serious criminal activities in the economic field. Party committees at all levels should organize party members and cadres to conduct comprehensive studies. First of all, leading bodies of party committees should conscientiously study and discuss the decision, comprehensively and clearly understand its basic principle and ways to approach some questions and to implement policies, improve our understanding and unify our thinking and actions. Only by so doing can we guarantee that we implement to the letter the spirit of the decision and carry the struggle through to the end.

Comrade Chen Lei said: The major cases exposed in our province show that economic crimes have the following salient features: 1) The amount of money involved in illegal activities is increasing. 2) Incidents of reselling large amounts of goods for profit are increasing. 3) The targets of criminal activities are expanding. 4) Illegal activities are getting more and more rampant. 5) Means to commit crimes are getting more and more vicious.

Comrade Chen Lei said: The overwhelming majority of party committees at all levels in our province have attached importance to investigating and handling these cadres. Principal leading comrades of the provincial CCP Committee and prefectural, municipal and county CCP Committees have personally handled major cases. This has played a decisive role in enabling the struggle to develop in depth. Most organs at the provincial level have done a relative

good job in carrying out the struggle. However, the development of the struggle is uneven. A few units have been relatively slow in actions.

Comrade Chen Lei urged party committees and departments at all levels to investigate and sum up experiences of their own units in carrying out the struggle to deal blows at serious economic crimes over the past few months on the basis of conscientiously studying and discussing the decision of the CCP Central Committee and the State Council and work out measures to correctly implement the decision in accordance with the realities of their own units and the spirit of the decision.

Comrade Chen Lei said: As of 15 April, 331 criminals had confessed their crimes involving 577,000 yuan of illicit money. Over 317,000 yuan of illicit money had been returned. In order to expand the victory and redeem as many economic criminals as possible, all departments should seize the time before 1 May Labor Day and concentrate efforts to do a good job in conducting the education and propaganda work of the two decisions to stir up strong public opinion and enable the criminals to wake up in time and confess their crimes in order to receive leniency.

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## NATIONAL POLICY AND ISSUES

### RELATIONSHIP BETWEEN GROWTH OF NATIONAL INCOME, GROSS OUTPUT VALUE DISCUSSED

Beijing BEIJING RIBAO in Chinese 8 Feb 82 p 3

[Article by Xu Chuanzhen [1776 0278 3791]: "How Should We Deal With the Relationship Between the Size of Increases in National Income and the Size of Increases in Gross Industrial and Agricultural Output Value?"]

[Text] National income is the value newly created by the workers of material production departments in a given period (generally a year), i.e. the difference between the value of all social commodities produced during the given period by material production departments and material consumption (transferred value) during the production process. In other words, national income is the total net output value of the material production departments.

Increases in national income are based on increases in the output of the material production departments and thus are determined by increases in consumption and by improvements in labor productivity. But the size of increases in the national income is also conditioned by conservation or waste in material consumption by the production departments. In addition, structural changes in production departments with different consumption indices also have a certain effect on the extent of increases in the national income. Accordingly, the size of increases in the national income may sometimes fail to agree with the size of increases in output. If the consumption indices of the production departments increase, even though the total output of social commodities increases, national income may possibly fail to increase, or may even decline.

Our country's national income is the aggregate of net industrial output value, net agricultural output value, net construction output value, net freight transport output value and the output value of that part of commerce which represents the continuation of the production process in the circulation area. Net industrial and agricultural output account for more than 80 percent of this total, so that the rate of increase of our country's national income is largely determined by the rate of increase of gross industrial and agricultural output value, and the trend of material consumption in these two sectors is the key factor determining how great a discrepancy there is between the size of increase in national income and the size of increases in gross industrial and agricultural output value.

Since the state was founded the size of increases in national income in this country has generally been somewhat smaller than the size of increases in gross industrial and agricultural output value. This is because historically, industry and agriculture were developed faster than other production departments and the rate of increase of national income has been dragged down by the three other sectors with their slower rates of development. But there have been years in which the increase in national income was equal to or greater than the rate of growth of industrial and agricultural output. For example, gross industrial and agricultural output increased by 0.9 percent from 1962 to 1963, while national income increased by 10.7 percent; national income and gross industrial and agricultural output both increased by 12.3 percent from 1977 to 1978. In some years, total industrial and agricultural output value increased but national income decreased. During the second 5-Year Plan, for example, the average rate of increase of gross industrial and agricultural output value was 0.6 percent, while the national income showed an average annual decline of 3.2 percent; industrial and agricultural output value increased by 1.7 percent between 1975 and 1976, but national income declined by 2.7 percent. During the Fourth and Fifth 5-Year Plans there was some increase in the discrepancy between rates of growth of national income and industrial and agricultural output value. The primary reason was the effect of interference by "Left" errors during these years, throwing industrial management into chaos, increasing materials consumption indices, lowering product quality, producing serious waste, causing many enterprises to show losses, and producing a negative net output value. Since 1980 there has been some improvement; the rate of increase of national income is now close to the rate of increase of industrial and agricultural output, but economic performance is still well below historic highs and there is still much unused potential. The adoption of the economic responsibility system in the countryside is currently resulting in a very good performance. The Central Committee has made a major effort in enterprise reorganization, which has strengthened enterprise management and should result in a great improvement in enterprise economic performance. It is quite possible that the rate of increase in national income may equal or even surpass the rate of increase of industrial and agricultural output.

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## ECONOMIC PLANNING

### 'TIANJIN RIBAO' ON IMPROVING ECONOMIC RETURNS

HK280347 Tianjin City Service in Mandarin 2330 GMT 18 Apr 82

[Text] Today, TIANJIN RIBAO carries a commentator's article entitled "it is necessary to fight a comprehensive battle to improve economic returns." The article says: In the first quarter of this year, a steady increase in our city's industrial production was maintained and more products that suit the needs of the market were produced. But the economic and technological targets were not satisfactorily fulfilled. Improving economic returns is the key problem in all fields of our economic work. By saying all fields of our economic work, we do not only mean industrial production, but also agricultural production, capital construction, circulation and so forth. Therefore, it is necessary to fight a comprehensive battle to improve economic returns. All trades and professions in our city must show great concern for this work.

Why should we stress the importance of fighting a comprehensive battle at present? This is because some comrades, especially some comrades on the nonproduction fronts, are thinking that improving economic returns is merely a matter for factories and enterprises, and has nothing to do with themselves. This is not correct. In his speech at the national conference on industrial and communications work, Comrade Zhao Ziyang clearly pointed out that at present, it is necessary to correct our industrial production guiding ideology. That is to say, we must pay more attention to improving economic returns so that our economy can develop on a solid foundation. We must correct our guiding ideology not only in industrial production, but also in capital construction, circulation and all other spheres of our economic work. Thus, cadres and masses in all walks of life are required to have a clear and sound understanding of economic returns and must make concrete efforts to unify the production growth rate and the improvement of economic returns. They are required to use their brains, suggest ways and means and work hard to improve economic returns.

The article continues, how do we judge whether economic returns have improved? In this respect, we must see whether more products which suit the needs of our society have been produced with the least possible consumption of labor and materials. In order to keep abreast of the needs of our society and the trend of development in both domestic and foreign markets so that more products that suit the needs of market can be produced, it is necessary to have not only the efforts of factories, enterprises and other production units but also the close cooperation of the trade departments engaged in domestic and foreign trade.

In this sense, without fighting a comprehensive battle, economic returns cannot be improved. At the same time, in fighting a comprehensive battle, it is necessary to take the interests of the whole into account and adhere to the principle of giving priority to the planned economy and subordinating partial and local interests to those of the whole. Comrades in factories and enterprises must have a correct understanding of the relations between economic returns of the enterprises and those of the society and adhere to the socialist orientation of enterprises. They should on no account, put profit-making first and do production work blindly regardless of the needs of society and the unified plan of the state. Proceeding from the overall interests, the departments engaged in domestic and foreign trade should support industrial production. They must make things convenient for industrial production units in the work of market investigation and analysis, the sales and purchase of products, the supply of equipment and raw materials, and so forth, so that industrial, commercial and trade departments can cooperate with each other in a more harmonious way and work more efficiently to improve economic returns.

In conclusion the article says: In order to fight a comprehensive battle to improve economic returns, leading organs at various levels must also do a good job in investigation and study, and strengthen unified leadership and cooperation. They must work out feasible policies and adopt proper measures to mobilize the enthusiasm of various fields. In short, if people of all walks of life work hard to improve the economic returns of the whole society and if leadership and cooperation are strengthened, new prospects will surely be opened up in the economic construction of our city.

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## ECONOMIC PLANNING

### 'HEBEI' STATISTICS FOR 1981, PLAN FOR 1982

HK291431 Shijiazhuang HEBEI RIBAO in Chinese 11 Apr 82 p 2

[Excerpts from report on Hebei's 1981 economic performance and the social and economic development plans for 1982 delivered by Vice Governor and Provincial Planning Committee Director Lan Kaimin [5695 6418 3046] at the Fourth Session of the Fifth Provincial People's Congress of Hebei Province on 30 March 1982]

[Text] Honorable representatives: In accordance with the resolution adopted at the 13th session of the Standing Committee of the 5th Provincial People's Congress and entrusted by the Provincial People's Government, I have the honor to report on Hebei's 1981 economic performance and the social and economic development plans for 1982. Your examination of this report is requested.

#### I. 1981 Economic Performance

At the third session of the Fifth Provincial People's Congress convened in October last year, I reported on the economic performance of the province during the period January to September 1981. As a result of the endeavor of the people of the whole province in the fourth quarter of 1981 and the continued implementation of the various policies of the 6th plenary session of the 11th CCP Central Committee and the spirit of the Hebei Provincial Work Conference convened by the Central Committee Party calling particularly for carrying out criticism of the "left," further readjusting the national economy, and making the utmost efforts to rectify the backward situation, we are pleased to report that the whole year's plan has been basically fulfilled, and the majority of the targets have been attained in a comparatively satisfactory manner.

Turning first to agriculture, although we have suffered from a serious drought for 3 years in succession, yet as a result of the thorough implementation of a series of the party's economic policies for the countryside, particularly the further promotion and improvement of the production responsibility system which aroused the enthusiasm of the vast masses of cadres and people, the situation in the countryside of the whole province is very satisfactory. The gross grain output of the whole province increased by 3.5 percent over the preceding year. The gross cotton output exceeded the plan by 22.2 percent. The output of edible oils likewise surpassed the plan, by 16.3 percent, the highest on record. Forestry, animal husbandry and sideline undertakings all made new developments.

As for industry, it has speeded up the development of production of consumer goods for the people's everyday use. Definite results have been achieved in the reorganization of the enterprises while continued improvement was made in their internal structure. The ratio of the output value of light industry in the gross output value of industry rose from 45.3 percent in the preceding year to 49.8 percent last year. Of the 64 major products under the plan, 52, or 81.3 percent, fulfilled and exceeded the targets set in the state plan. Of the comparable major products, those registering relatively large increases were several large categories urgently needed for people's life, important daily-use articles of the textile industry and certain means of production for agriculture. Of them, output of television sets was 120,000, an increase of 200 percent; output of washing machines was over 2,500, an increase of 480 percent; and output of bicycles was 645,000, an increase of nearly 100 percent. Fairly large increases were achieved in the output of wristwatches, sewing machines, radio sets, cotton yarn, cotton cloth, matches, soap, daily-use pottery articles, electric bulbs, wooden furniture, aluminum kettles, clothing, footwear, sugar and detergent. The production of water pumps for agriculture was increased by over 100 percent and that of other means of production for agriculture such as large and small tractors increased from 17 to 48 percent. The structure of products of heavy industry and their service orientation were further readjusted. About 60 percent of the enterprises under the machine-building industry further readjusted the structure of their products and expanded their service areas. The output of their products intended for technological reorganization and for serving the livelihood needs of the people increased by more than 60 percent over the preceding year. As for industrial reorganization and economic integration, in conformity with the principles of specialized coordination and economic rationalization, 42 economic combines in varying forms were newly organized and 40 specialized companies and principal plants were organized. Some 436 enterprises joined these combines. Six hundred thirty-six enterprises were closed, suspended, merged, or shifted to other modes of production on account of their high consumption rate of raw materials and fuels, or general extravagance, or their products being unmarketable or having suffered losses for a prolonged period of time.

The scale of capital construction was further reduced, the ratio of non-production investment was increased while the ratio of fixed assets put into actual operation was also raised. Capital construction investment has been oriented toward key engineering projects and nonproduction undertakings such as education, science and technology, culture, public hygiene, commercial network and staff dormitories and residences. Of the total investments, the ratio of nonproduction construction rose from 41 percent in the preceding year to 48.17 percent this year. Of the investment plans financed generally by the localities, investment in science and technology increased by over 100 percent, investment in education increased by 24 percent and investment in cultural undertakings increased by 85 percent. According to statistics compiled by 15 institutions of higher learning, the volume of capital construction completed during the year was 80 percent more than in the preceding year. This was the best year ever in our province as far as capital construction for institutions of higher learning was concerned. In Tangshan Municipality, the investments on post-quake recovery projects completed during the year amounted to 660 million yuan and some 1.5 million square meters of residential housing was com-

pleted. Construction enterprises throughout the province learned from the experience of the Handan No 2 Engineering Company. As a result, the ratio of completed housing projects receiving the "superior grade" rating amounted to 43 percent, an increase of 8 percent over the preceding year. Those receiving the "fair grade" rating comprised around 80 percent. Aiming at tapping the hidden potentials of existing enterprises and taking the road of expanded reproduction by tension, 1,236 projects on tapping potentials, renovation and restructuring were completed. The newly added output value from this source this year amounted to 680 million yuan while profits and taxes amounted to 173 million yuan.

Turning next to finance and trade: Despite the existence of a large number of factors contributing to reducing revenue and increasing expenditure, the utmost efforts were made by various quarters to increase revenue and to rigidly control expenditure. As a result, local fiscal departments managed to reduce expenditure by 494 million yuan, basically achieving a balance in revenue and expenditure. Concurrently, it succeeded in performing the assigned task of floating a state loan of 393 million yuan and purchasing treasury bonds worth 200 million yuan. With regard to commerce, the development of production and the increase in channels of circulation brought about increases in purchasing and marketing and an enlivened market. New development was made in foreign trade. The gross value of purchases of commodities for export and the gross value of the export trade both showed increases over the preceding year, by 7.5 percent and 26.3 percent respectively. Both were the highest records in history.

Concerning science and technology, education and public health undertakings, their development was accelerated in the course of the construction of material civilization and spiritual civilization. Despite the retrenchment measures in local finance, an increase of 3.8 percent over the preceding year was recorded in the expenditures on educational, cultural, public health and scientific undertakings.

As for the people's standard of living, further improvement was made, following the development of production. The number of people employed has increased. Over the year, 244,700 people in the cities and towns found employment. The wages and salaries received by employees under the system of ownership by the whole people averaged 771.30 yuan per capita for the year, an increase of 18.5 yuan over the preceding year. The salaries and wages received by employees under the system of collective ownership averaged 616.50 yuan per capita for the year, an increase of 21.3 yuan. According to a general survey, it was found that the average monthly income for living expenses of staff and workers' households rose from 32.6 yuan per person in the preceding year to 35.82 yuan per person last year, an increase of 11 percent. The income of commune members in the countryside also increased substantially. Each person averaged an annual income of 207 yuan last year, an increase of 9.9 percent over the preceding year. Of this income, the portion derived from sideline production consisted of 84 yuan, an increase of 33.3 percent over the preceding year. There was also a general increase in the savings accounts of residents in the cities as well as those in the countryside. Savings deposits of urban residents amounted to 1.58 billion yuan at the yearend. This was an increase of 27.4 percent over the early part of the year. Similarly, deposits in peasants' credit cooperatives amounted to 1.32 billion yuan, an increase of 53.5 percent compared with the first part of the year.



## II. 1982 Economic and Social Development Plan

Following the 10 principles for economic construction proposed by Premier Zhao Zhiyang at the fourth session of the Fifth NPC and the spirit of the national planning conference, the guiding thought over the principal tasks and planning for economic and social development in our province this year is: continued thorough implementation of the policies and spirit of the 6th plenary session of the 11th CCP Central Committee and the Hebei Provincial Work Conference convened by the party Central Committee, performing a good job of the readjustment, restructuring, reorganization and upgrading program, effecting an overall upgrading of the economic effect, increasing financial revenues, stabilizing market prices, rectifying the passive and backward situation, and enabling the economy of our province to enjoy a steady and healthy development.

1. Agricultural production. Concurrently with grasping grain production, we shall accelerate the development of the industrial crops and diversified operations. The gross output value of agriculture is planned to increase by 4.3 percent over last year. The target for gross grain output is 33 billion jin, an increase of 4.8 percent. Planting of the grain crops will be maintained at above 70 million mu. In order to raise the gross output, major efforts will be made to increase the per unit yield and special attention will be given to increasing production from the medium or low-grade farmland. The planned cotton planting acreage is 11 million mu, an increase of 3.04 million mu over last year. The output target is 607 million jin, an increase of 37.9 percent. Our province enjoys special advantages for cotton production. In order to bring these advantages into full play, in the course of planning the output, we have made suitable arrangements such as increasing the planting acreage, introducing superior cotton seeds and promoting the adoption of advanced techniques in cotton field management. The acreage for edible oils under the plan is 7.45 million mu. The output target is 1 billion jin, an increase of 7.5 percent, which will be another record in history. The gross output planned for meat is 470,000 tons. This will be almost the same as last year. In order to conserve our aquatic resources, we plan to fish rationally. The planned output of aquatic products is 70,000 tons, slightly lower than last year. Certain production increases were planned for forestry, tobacco, beetroot, silk and other agricultural and sideline products. In order to realize the above-mentioned plan, we must earnestly implement the spirit of the decisions of the national rural work conference forwarded by the party Central Committee, insist on taking the road of socialist collectivization, insist on not changing for a long time to come the system of public ownership of the basic means of production and the production responsibility system, strengthening agricultural planned management, and carry out the plans of the state on crop planting arrangements and their geographical distribution in keeping with the local conditions. In view of the increasingly serious drought situation in our province, the focal point in the realization of this year's agricultural production plan is to grasp tightly the drought-fighting tasks. The water conservancy measures we have in this province at present are many. The problem lies in mobilizing the populace, rationally organizing them and fully bringing their role into full play. We must implement well the management responsibility system for artesian wells, and foster the practice of the scientific use of water and water conservation. We must achieve the objective

of drought-fighting to protect spring sowing, summer harvesting and reap a bumper harvest for the whole year.

2. Industrial production. The focal point here is to accelerate the development of the production of consumer goods of the light and textile industries. Readjusting the service orientation of heavy industry will be continued, in this way giving new life to production from this sector. The gross output value of industry is planned to exceed that of last year by 4 percent. Output of light industry will increase by 6.5 percent while that of heavy industry will increase by 1.8 percent. It is estimated that this rate of increase is entirely possible and that if work is well done, the pace of progress can be even faster, perhaps reaching the 5 percent mark. As for the textile industry, the plan is to produce 1.23 million bales of cotton yarn, an increase of 2.5 percent, also to produce 990 million meters of cotton cloth, an increase of 2 percent, and 170,000 bales of yarn for knitted goods, an increase of 21.4 percent. The scale of the production of mechanical and electrical goods for everyday use was arranged according to the state plan, which called for the production of the following: 900,000 bicycles; an increase of 43 percent; 222,000 sewing machines, an increase of 16.8 percent; 160,000 television 34", an increase of 33.3 percent; and 500,000 wristwatches, an increase of 42.9 percent. Concerning the energy industry, the plan called for the output of 52.5 million tons of coal, 39.5 million tons of which was from mines under the unified allocation plan of the state, and 13 million tons of which was from local mines, both representing an increase over the preceding year. Judging from the present excavation and mining conditions, the realization of these planned targets appears to be rather difficult. But the country now is facing the contradiction of coal supply lagging behind demand and yet since our province is one of the principal coal-producing centers, we must bravely take up this challenge and endeavor to fulfill the targets.

3. Capital construction. The scale of the 1982 capital construction investments of our province as arranged by the state is 2.16 billion yuan of which the amount raised locally is 124 million yuan. This is the same level as last year. In addition, locally financed construction projects have a "controlled" target of 200 million yuan, an increase of 5.2 percent over the preceding year. The state assigned 400 million yuan as special investments for Tangshan Municipality's post-quake recovery program. The investments raised locally were meant primarily to continue unfinished projects, for the purchase of accessory equipment and doing finishing-up work on newly completed projects. Under this category, altogether 143 projects have been planned of which 73 projects are to be completed and put into operation this year. In the distribution of investment, the great majority of the departments received the same share as last year. But, in addition, scientific, technological, educational and cultural, and municipal construction projects have been newly allocated a portion of the investments. Two major industrial investment projects have been undertaken. They are the Shijiazhuang Petroleum Refinery and the Yaohwa Plate Glass Plant of Qinhuangdao Municipality. As for other industrial projects, self-provided funds and bank loans will provide the main source of investments.

4. Finance and trade. This year the revenue collection task assigned by the state to our province amounts to 3.406 billion yuan. Of the portion to be re-

tained by the province, 250 million yuan has been initially earmarked as a loan to the central government. This makes up 12 percent of the gross revenue receipts of our province. In addition, our province has been assigned the task of buying treasury bonds amounting to 173.9 million yuan. Of this amount, purchases assigned to units under the system of ownership by the whole people and units owned by the collectives amount to 78.1 million yuan while those assigned to individual people amount to 95.8 million yuan. The financial expenditures will amount to 1.744 billion yuan. Arrangements have been made to fulfill all the assignments made by the state. It is realized that our financial tasks this year are rather difficult. We are required, at the same time as readjusting enterprises, to sternly enforce discipline in the financial and economic sectors, to resolutely punish criminal activities in these sectors, to open up new financial resources and to increase revenue and reduce expenditure so as to ensure the realization of these financial plans.

An increase of 7.59 percent over last year is estimated in the social purchasing power of commodities of the province whereas the increase in available supply of commodities is estimated to be 6.82 percent. There is thus a certain disparity between social purchasing power and the demand for commodities and the available supply of commodities. In order to minimize this discrepancy, the commercial departments have arranged that the total commodity purchases should increase by 7.02 percent and that the retail sales of the commodities of society should increase by 7 percent. Plans for the purchase of commodities for export and for the gross export value are all in accordance with the stipulations of the state; and they are 1.54 billion yuan and \$730 million respectively.

5. Science and technology. In order to better bring the role of science and technology into full play and to overcome the past trend of scientific research being dislocated from actual production, in the planning work, emphasis is laid on applied research and development research. There are five focal points, namely: agriculture, consumer goods of the light and textile industries, energy conservation, public hygiene and pharmacy, and application of new technology. Initially, 49 scientific and technological results have been selected for adoption and promotion. On the side of education, the guidelines calling for the development of culture, the intellect and the physique are strictly adhered to in further improving higher learning and education of the intermediate and specialized grades. The readjustment and reorganization of middle schools are being continued and professional training is being promoted while the primary schools are being strengthened. The higher institutions of learning plan to admit 11,100 new students this year. Institutions specializing in subjects which are in great demand such as light industry, food, textiles, business management, finance and economics and politics and law plan to take in slightly more new students than others. Intermediate and specialized schools will admit 20,000 new students of whom 10,000 are allocated to teachers' training schools of the intermediate grade. New admissions to senior middle schools are limited to 190,000 students while admissions to primary and middle schools will amount to 892,000 students. Enrollment in professional middle schools and agricultural middle schools is to be enlarged and there are plans to admit 68,500 students to these schools. With regard to primary schools, the principal tasks are to raise the quality of the teachers, improve the teaching environment, and stabilize enrollment. The plan is to admit 1.05 million students and to achieve the objective of providing schooling for 97 percent of the children of school age.



### III. Several Major Tasks in Fulfilling the 1982 Plan

In order to triumphantly realize the whole year's plan, it is essential that we continue to thoroughly implement the spirit of the 6th plenary session of the 11th CCP Central Committee and of the Hebei Provincial Work Conference convened by the party Central Committee. We must mobilize the masses, overcome the obstacles, and shift the various kinds of economic work onto a track centered on increasing economic returns. It is necessary that we grasp the following major tasks:

1. Improving and thoroughly carrying out the readjustment plan and speeding up the pace of economic readjustment. Since implementing the readjustment program and, on the basis of results from investigation and research, the provincial government has organized forces to produce a draft plan on revising the regulations on the agricultural zoning of the province. The pamphlet entitled "suggestions concerning regulations governing the development of diversified operations in the countryside during the sixth 5-year plan" and another pamphlet "focal points in the plan to readjust industry and communications in Hebei Province in 1981" both mentioned the principles and views concerning the direction, content and structure, geographical distribution and the readjustment procedure in the development of industry and agriculture in our province. The principal tasks now are to further improve these suggestions, work out the concrete measures and quickly implement them. Agricultural readjustment this year consists principally of implementing the fixed 3-year measures for the purchase, sale, and allocation of grain and other related policies, and, on this basis and following the guidance of the state plan, fully carrying out the agricultural planting program, grasping well the building of farm bases, implementing scientific farming and ensuring that grain production is stabilized and that cotton, edible oils and other economic crops as well as multiple-line operation all enjoy greater development. This will pave the way for subsequently continuing the readjustment of the agricultural structure and geographical distribution of the crops and gradually building up the conditions for the emergence of a beneficial cycle in agricultural ecology. As for industry, the principal tasks will be centered on the first batch of 50 focal products selected by the province on a unified basis and on readjusting, reorganizing, and merging the enterprises. First of all, we shall organize well the coordinated production of the daily-use machinery and electrical products such as bicycles, sewing machines, wristwatches, television sets and radios. Within this year, we shall gradually effect the unification of procedures and the "linking up of the parts to form a whole" in the production of tractors, diesel engines, textiles, ceramics, coke-chemicals, petrochemicals and pharmaceuticals. In order to promote reorganization and merging work, unified planning and arrangements are to be made for those enterprises which are participating in joint ventures, in regard to the direction of their production, planning, supply of materials, and marketing of products. Their relationship to the departments to which they belong will not be changed; nor will the channels of their profit remittance be changed. But the base profit figures targets will be set and the enterprises are entitled to retain increases in profits according to a fixed percentage. On the other hand, enterprises whose products are not marketable and are poor in quality but show a high consumption rate of materials and which have suffered losses for a prolonged period will

continue to be closed, suspended, merged or shifted to other lines of production. Utmost efforts are to be made to do a good job of developing the collective economy and the individual economy. The circulation lanes will be expanded which in turn will promote the development of production.

2. Grasping tightly the reorganization of enterprises and raising the economic effect. This constitutes the central task in our entire economic work this year. It is also the key to the realization of this year's plan. In accordance with the decision of the party Central Committee and the State Council appertaining to the overall reorganization of the industrial enterprises, commencing this year, 2 to 3 years will be devoted to carrying out, in a planned manner, the overall reorganization of all industrial enterprises above the county level of the entire province. This year, one-third of these enterprises will be reorganized and one batch of enterprises will be selected to be the key enterprises for reorganization. The central aim of the reorganization is to raise the economic benefits. First, the state and phenomena of the enterprise leadership being loose, weak, oversize, overage and of low efficiency must be rectified. We must choose cadres, engineers, and technical personnel who are young or middle-aged, are strong and resourceful, and are red and expert to fill the leadership posts. This will enable the leadership to become revolutionized, more professional, more knowledgeable and younger. Second, the management system must be reorganized. Business accounting must be enforced. A system of overall quality control must be implemented. The economic responsibility system must be improved and the standard of operation and management of the enterprises must be raised. Third, labor organization must be reorganized. Labor discipline must be strictly enforced. The system of fixing the number of personnel must be implemented. We must endeavor to promote civility and politeness in work and in production. We must organize in a systematic manner, study and training programs. The practice of periodically rotating the personnel in their job assignments must be introduced. We must rectify such phenomena as overstaffing, laxness in discipline, and law-breaking. Fourth, we must restructure discipline in financial and economic matters and set up and strengthen various financial and economic systems. Loopholes must be plugged up. All criminal activities in the realm of finance and economics must be sternly dealt with. In reorganizing the enterprises, the advanced experience of the second construction engineering company should be promoted. Through reorganization work, we should shift the pivotal work of the enterprises to the direction of raising economic benefits, with the aim of consuming the minimum amount of labor and materials but producing more of the goods that are suited to the needs of society. All production, construction and circulation departments and units should act in this way. This year we plan to reduce energy consumption by over 3 percent and to reduce the comparable production cost of products of the enterprises by over 2 percent. We also plan to increase the turnover of circulation capital by half or double it, and, to raise the labor productivity rate on the average by 3 to 5 percent.

3. Strengthening the study, application and promotion of science and technology and grasping well the renewal and technical renovation of the equipment of the enterprises. This year, we plan to grasp well the following four focal points: 1) Bringing the role of the technical personnel into full play, grasping policy implementation and the assessment and evaluation of the technical jobs and titles, and concurrently enlarging the number of talented personnel employed so as to enrich the technological force of our province.

2) Readjusting and augmenting our scientific research organs, strengthening scientific and technological information work, organizing the scattered scientific and technological forces and centralizing them for utilization so that really talented scientific and technological persons will return to suitable posts and bring their wisdom and talent into full play. Large and medium-sized plants, mines and enterprises should all institute scientific and technological information organs. They should grasp well the designing and trial production of new products and the upgrading, alteration and improvement of existing products. The provincial science and technology information institute will be strengthened so that it will gradually become the center for the collection of information and data. 3) Pointing scientific research in the right direction and obtaining a clear understanding of the focal point in scientific research. We must insist on the combination of scientific research and actual production. The focal point in this connection is to grasp well the promotion and use of successful scientific and technological experiments and put into practice those scientific research projects which have been found to produce relatively good economic benefits. 4) This year 40 to 50 percent of the funds earmarked for tapping latent potential, restructuring and renovating will be spent on such technical renovation work as energy conservation saving the materials, revising the structure of products and the rational utilization of resources, and on the renewal and renovation of equipment. In short, we shall take the road of expanded reproduction by intension.

4. Strengthening planned control, revising and improving economic work. Comrade Chen Yun recently pointed out: "Our country is a planned economy; industry likewise is governed by the planned economy. Following the implementation of the production responsibility system in agriculture, agriculture is also principally governed by the planned economy." Thus, the most important principle and guideline of our economic work is to insist on taking the planned economy as the major factor and regulation by market mechanism as the supplementary factor, treating the whole country as one chessboard. In order to ensure the realization of this year's plan, the following points are essential: First, economic leadership departments at various levels must further perform well the work of shifting the pivotal point of work to focus major energy and effort on grasping guidelines and policies, grasping and developing strategies, and grasping the big and important problems and key measures. Second, we must pursue the various economic activities under the guidance of the unified plan of the state and the province. We must try a thousand ways and means to ensure fulfillment of the planned production targets and for the allocation and supply of materials as well as the fulfillment of the export tasks. We must correctly handle the relations between the state, the collective and the individual. We must pursue the spirit of first providing food for everybody, and second, carrying out the construction work. We must ensure that under the logical premise of increased revenue for the state, there is also increased income for the collective and the individual. Third, we must strengthen the supervision and examination of the execution of the plan. The functional planning departments and economic control departments at various levels must also regularly carry out such examination work via various channels so that they may know the situation of the execution of the plan and can discover and solve problems in a timely way and, in this way, maintain the enforcement of the unified plan. As for the production and allocation of important materials related to the whole

national economy and the construction of key projects, we should guide them by means of economic regulations, supplemented by taking the necessary administrative or legal measures, so as to ensure fulfillment of the plan. Fourth, we must strengthen investigation and research and market forecasting work. Planning and economic departments at various levels must change their style of work and concentrate on investigation and research so that they may correctly know the situation and thoroughly and, having regard for the needs of society and the feasibility of their proposed actions, make planning arrangements, organize production and effect well an overall balance so that the whole national economy will develop steadily and smoothly.

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## ECONOMIC PLANNING

### 'NINGXIA' HOLDS INDUSTRY, COMMUNICATIONS MEETING

HK240523 Yinchuan NINGXIA RIBAO in Chinese 15 Apr 82 pp 1, 4

[Report: "Regional Government Holds Industry and Communications Work Conference"]

[Excerpts] The Ningxia Regional People's Government convened a regional conference on industry and communications work in Yinchuan from 6 to 13 April. The meeting conveyed the spirit of the national industry and communications work conference convened by the State Council and Premier Zhao Ziyang's important speech, summed up the region's industry and communications work since last year and made arrangements for this year's tasks. The participants clarified the guiding ideology, and expressed their resolve to shift economic work onto the track of focussing on improving economic returns, fulfill this year's state plans, achieve a realistic and sound growth rate of "ensuring a 5 percent and striving for a 6 percent increase," and bring about a new situation in improving economic returns. Over 350 people attended the meeting.

Ma Xin, secretary of the regional CCP Committee and chairman of the regional people's government, made an important speech at the meeting.

Li Yunhe, deputy secretary of the regional CCP Committee and vice chairman of the regional people's government, delivered a summation. He said, this year the cadres and workers on the region's industry and communications front have braced their spirits, got an early grasp of production, and done their work in a relatively sound way. A good situation has appeared, with production rising from its decline and gradually increasing each month. Total value of industrial output in the first quarter was 24.1 percent of the year's plan and 9.6 percent more than in the same period of last year. March showed a 25 percent increase over February. The second quarter is the excellent season. We must continue to exert every effort and strive for better economic returns and growth rate than in the first quarter.

On the question of improving economic returns, Comrade Li Yunhe said, the issue of improving economic returns, raised by the central authorities, is very important. It is a fundamental change for the economic departments, embracing everything from guiding ideology to practical work. Our leading cadres at all levels must correct their understanding and resolutely embark on the new path of improving economic returns, in accordance with the central authorities'

plans. If we are slow to act, industrial production will encounter very great difficulties, and it may even be impossible to continue to develop it. The economic returns of industry in our region are rather poor. There are many reasons for this. We must seek the causes from the subjective and from our work. We should realize that due to the long period of influence of "leftist" guiding ideology, ideas of simply pursuing output value and growth rate without bothering about economic returns still exist in industry and communications. In quite a number of enterprises "political work is weak, management work is chaotic and systems and discipline are slack;" there is high input consumption, low efficiency, great waste, and serious losses. We must get our brains working, strengthen our confidence, devise more ways, and strive to increase production and practice strict economy. We must bring about a new situation in economic returns in the region's industrial departments.

Regional CCP Committee First Secretary Li Xuezhi made an important speech at the conclusion of the meeting. He emphasized strengthening party leadership, seriously implementing the spirit of the national and regional industry and communications work conferences, striving to improve economic returns, and ensuring the fulfillment of this year's production tasks.

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## ECONOMIC PLANNING

### OUTLOOK BRIGHT FOR GUANGDONG'S ENERGY RESOURCES, COMMUNICATIONS

Guangzhou YANGCHENG WANBAO in Chinese 25 Feb 82 p 1

[Article: "Liu Tianfu Reports During the 4th Meeting of the Fifth Provincial People's Congress That Outlook Is Bright for Guangdong's Energy Resources and Communications; Exploration and Development of the South Sea Oil Fields Will Soon Be Open to Foreign Companies for Bids; Guangzhou and other Large and Medium Cities Push for Telephone Construction"]

[Text] "The outlook for energy resources and communications is bright for our province. The exploration and development of oil fields in the South Seas will be open for bids to the outside in the very near future. The state has given its approval for the construction of the Shajiao Power Plant. Efforts are being made to place the nuclear power station under the State's Sixth Five-Year Plan. The multiple track construction of the southern section of Jing-guang Railway has been approved by the State Council. Plans for the construction of the Sanmou Railway have been presented and are awaiting state review and decision. Feasibility study is being pushed ahead for the construction of the high speed highway from Guangzhou to Shenzhen and Zhuhai. On a long-term basis, these important construction projects must be emphasized to fundamentally change the energy resources and poor communications conditions in our province." These are the prospects for the energy resources and communications of our province as reported by Governor Liu Tianfu during the 4th Meeting of the Fifth Provincial People's Congress.

Liu Tianfu pointed out in his report that the policy for solving the energy resources problem is emphasis in both development and conservation. At the moment, the priority is on conservation. It is necessary to reconstruct old facilities in order to improve the efficiency of utilization of energy resources, and to strengthen energy resources management and find ways to develop new energy resources. Coal production for this year must be increased and cannot be reduced. Power construction must implement the policy of integration of large, medium, and small and of hydro and thermal power, with particular attention to the development of the hydroelectric power and the proper equipping of existing small hydroelectric stations. Beginning this year, about 150,000 kilowatts in medium and small hydroelectric facilities will be added each year.

To solve the communications problem, Liu Tianfu pointed out that solutions for the immediate future are to develop the potentials of railway and highway transportation and to vigorously develop water transportation. The regular cargo shipping schedule from Guangzhou to the northern ports and the passenger and cargo schedule from Guangzhou to Shanghai should be increased, thus increasing the movement of goods and materials for our province through ocean transport. The key projects to improve roads and river bridges for the Guangshan, Guangshen, and Guangzhu lines should be completed according to plan schedules to develop their benefits as quickly as possible. For communications construction, the major emphasis is the telephone construction in large and medium cities, especially Guangzhou and special economic regions, as well as Hainan Island. Telephone projects in rural areas should also be strengthened.

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## ECONOMIC PLANNING

### DEVELOPMENT OF QUANTITATIVE ECONOMICS URGED

Beijing RENMIN RIBAO in Chinese 2 Apr 82 p 5

[Article by Ma Hong [7456 3163]: "Improving Economic Results Is the Main Current Topic of Study in Quantitative Economics"]

[Text] The development of our socialist economy presents new topics for our quantitative economic research; some of these are extremely pressing.

What are these important topics?

In connection with improving economic results and taking a new road in economic construction, the report on government work delivered at last year's 4th Session of the 5th National People's Congress by Comrade Zhao Ziyang put forward 10 important general policies for our country's future economic construction which must be conscientiously implemented. These policies involve a great number of topics for research. Quantitative economists have shown extreme interest in these major matters affecting the national economy and people's welfare, and many comrades have already begun research on them. Comrade Zhao Ziyang pointed out: "Doing everything possible to improve economic results in production, construction, circulation and other areas is a matter of central importance." I believe that this matter should be the main topic and main task of our current quantitative economic research.

Analysis of economic performance in the area of socialist construction must be conducted in both quantitative and qualitative terms. Qualitative analysis is extremely important, for without it quantitative analysis may lose its bearings and go astray, and good qualitative analysis requires the guidance of Marxist economic theory and implementation of party guidelines and policies. Any approach which neglects qualitative analysis or ignores the guidance given to quantitative analysis given by Marxist economic theory and party policy, and any attempt to make quantitative analysis replace qualitative analysis, is incorrect.

But if we stress only the importance of qualitative analysis and fail to accord due importance to quantitative analysis, contenting ourselves solely with political and economic principles without living content or quantitative analysis, making political calculations but no economic calculations and providing no economic substantiation, it will be impossible to solve real

economic problems effectively, and subjectivism, arbitrariness or blind command may result. We may have suffered a great deal in this respect and we must remember the lesson.

Practice is the only standard for determining the truth. Without quantitative analysis of practice in society, without quantitative comparison of different programs made up of a multitude of continually changing indicators, and without repeated testing and verification it is impossible to determine whether our qualitative analysis is correct, whether economic development strategies, models, plans, programs and measures reflect objective reality and whether they are really achieving a high level of economic effectiveness. Practice proves the qualitative investigation without quantitative investigation is unlikely to solve the problem of improving economic results. Our work in this area is still very weak. Accordingly, while paying attention to qualitative analysis, we must give due importance to quantitative analysis so that the two are organically combined and mutually supportive. This is the only way of gradually deepening our understanding of objective economic laws, of acting in accordance with them and continually improving economic results; and this is the only way that the superiority of the socialist planned economic system can be brought thoroughly into play.

We should adopt the analytical attitude of the quantitative economics which has been developed by the Western bourgeois countries, incorporating its essence and rejecting the chaff. The approach of treating quantitative economics as a creation of the bourgeoisie and categorically rejecting it without analysis is quite wrong.

In carrying on socialist construction, we must establish a quantitative economics based on Marxist economic theory. Currently there is a difficulty in accomplishing this, namely that some comrades who have a relatively good understanding of Marxist economic theory and party policy lack a good understanding of quantitative economics, while some comrades who have a rather good understanding of quantitative economics have not made a sufficient study of Marxist economics and party policy. Accordingly, establishing a quantitative economics based on Marxist economic theory requires cooperation between economists and mathematicians, between natural scientists and social scientists, between theoreticians and practitioners. This requires that all of the comrades concerned organize, unite, learn from each other and bring their respective strong points into play in an energetic effort to deal with the major question of how to upgrade economic results so as to promote steady improvement of economic results in all areas of our country's socialist economic activity and the flourishing of socialist economic science. The comrades engaged in quantitative economic research in this country are resolved and able to overcome this difficulty. The Quantitative Economics Research Society and specialists in quantitative economic research must do more to find ways of improving our country's economic results in production, construction and circulation, and must make a new and greater contribution to implementing the 10 major policies for our country's economic construction and for the great cause of our country's socialist construction.

## ECONOMIC PLANNING

### PEOPLE'S CONGRESS HEARS REPORT ON GUANGDONG ECONOMY

Guangzhou NANFANG RIBAO in Chinese 4 Mar 82 pp 1-3

[Article by Liu Tianfu, Governor of Guangdong Province: "The Present Economic Situation and the Tasks for Construction in 1982--Report to the Fourth Session of the Fifth Provincial People's Congress on 23 February 1982"]

[Text] Fellow Deputies:

On behalf of the Guangdong People's Government, I am now to report on the present economic situation and the main tasks for construction in 1982 for deliberation and examination by the congress.

#### 1. The Present Economic Situation

Since the Third Session of the Fifth Provincial People's Congress, the province has continued to implement the important policy decisions of the Party Central Committee and the State Council on carrying out further economic readjustment and has continued to adopt special policies and flexible measures. Our national economy was a remarkable success during the readjustment in 1981, and we have triumphantly completed all the main tasks set by the Third Session of the Fifth Provincial People's Congress. The economy is full of vitality, and production has developed fairly rapidly. Our economic and trade activities with foreign countries have further increased; the people's livelihood has continued to improve; and we have political stability and unity. All undertakings are now continuing their steady progress, and the situation as a whole is now better than had been previously expected.

There was sustained industrial growth. In 1981, the total value of industrial output in the province amounted to 24.96 billion yuan, an increase of 11.4 percent from last year. That was the year of the most rapid growth since the smashing of the "gang of four." Light industrial output value was 17.4 percent higher than in the previous year. The output value of heavy industry, after the readjustment of its service orientation and its product mix, also increased by 1.8 percent over last year. The output value of the machine industry hit an alltime high. Labor productivity and the profit rate for enterprises owned by the whole people increased, while progress was made in the conservation of energy and in the reduction of consumption. The annual plans for railroad, highway, waterway, and civil

air transport were all fulfilled satisfactory. The continued high-speed growth of industry during the readjustment played an important role in the steady economic development in the province.

Our grain output was decreased because of the effects of natural disasters on agriculture, but we had an all-round development of economic crops and economic diversification. Last year, many localities in the province suffered from spring drought, hailstorms, tornadoes, typhoons, and a lot of torrential rain. More than 10 million mu of farmland were inundated, and approximately two-thirds of the various counties experienced flooding in some areas. The losses caused by the disasters were serious. The heroic struggles waged by the armymen and people reduced the losses, but the annual grain output is expected to be reduced by 2.3 billion jin. The total output of sugarcane was 13 million tons, an increase of 45 percent over last year; that of peanuts was more than 11 million dan, an increase of 13 percent over last year; that of jute and ambary hemp increased by more than 30 percent; and there were also fairly large increases in the output of the main varieties of fruits, including litchi, bananas, and tangerines. By the end of the year, the number of hogs had increased by 3.3 percent, while the number of cows, sheep, rabbits, chickens, ducks, and geese also showed fairly high increases, and that of pond fish increased by 12 percent. Commune-run and production brigade-run enterprises continued to develop. The total value of agricultural output was 9.1 billion yuan, an increase of 3.3 percent over last year. Distribution among the rural collectives was increased, and commune members' household sideline occupations also underwent fairly great development. Many peasants now have surplus grain at home and private savings on hand. Thus, despite a year of natural disasters, people in the countryside still felt at ease, and the peasants were enthusiastic about production. The fine situation in the countryside serves as a foundation for steady economic development in the province.

We were able to balance our financial budget and leave a little surplus. Financial receipts in the province totaled 4,058,000,000 yuan--more than the annual budgeted quota, and an increase of 8.8 percent over the previous year. To share the heavy burden of the state and to increase our expenditures for education, the province's budgeted investment in capital construction was reduced by 31 percent compared with last year's. After fulfilling our financial obligations to the state, subscribing to treasury bonds, and lending the state more than 1.6 billion yuan, we were still able to balance our budget and leave a little surplus.

The market was brisk in both urban and rural areas. The volume of procurement and of marketing by the commercial departments in the province are expected to increase by 16 percent and 16.4 percent over last year, respectively; the people's purchasing power should increase by 15.6 percent; and total volume of retail sales should increase by 18.4 percent. The large-scale increase in the production of consumer goods has added to the supply of commodities on the market, and some commodities which have been rationed for many years because of their scarcity are now liberally supplied, while the amount of high- and medium-grade goods which are in demand has been increased. The country fairs are flourishing, and many commodities rarely seen before can now be bought on the market.

Our trade and economic contacts with foreign countries have developed fairly rapidly. Procurement for foreign trade in the province increased by 13 percent over the previous year. In foreign trade, our export plan was completed 2 months ahead of schedule, and the volume of exports increased by 21.9 over that of the previous year. Economic activities involving foreign countries are now taking many forms, such as processing imported materials, processing according to imported samples, assembling imported parts and [engaging in] compensatory trade (briefly referred to as "three imports and one compensation"), coproduction, and joint ventures. Such activities are now taking place in 67 counties and municipalities. For the processing of imported materials, we actually received more than 110 million dollars in foreign exchange--a sixfold increase over the previous year. Tourism has developed a great deal, and our foreign exchange earnings from this source increased more than eightfold. To facilitate our contacts with foreign countries, we have opened a port at Shekou, expanded the port at Wanjindu, and added 51 terminals and loading-unloading points for transportation. Some 7.18 million people, an increase of 34.9 percent over the number of the previous year, entered Guangdong by the ports. Total foreign exchange revenues in Guangdong (including those of enterprises run by the central government) were more than 2.98 billion dollars, including more than 2.64 billion dollars earned by the province; this was an increase of 7.8 percent over the previous year.

The construction of special economic zones has shown gratifying results. In the Shekou industrial area in Shenzhen, the leveling of the land, the building of highways and wharves, the supply of electricity and water, and the installation of microwave communications facilities have all been completed, while the infrastructural construction in the commercial service area in Luohu and the industrial area in Shangpu is being stepped up. For the Zhuhai special economic zone, construction of the four main highways is proceeding in earnest; the land is being leveled, and part of it has already been put to use. For the Shantou special economic zone, the infrastructural construction needed for its development in the immediate future, such as water and power supplies, has been completed. As for the use of foreign funds, the Shenzhen special economic zone had by the end of last year signed a total of 989 agreements and contract with foreign merchants. By now, more than 200 million dollars are in circulation here, with more than two-thirds of this amount stemming from the negotiations conducted last year. By importing more than 10,000 sets of machinery equipment costing more than 30 million dollars, we have given jobs to nearly 20,000 persons. The Zhuhai special economic zone imported 240 projects and has used 35 million dollars for them. Since the trial operation of the special economic zones began, industrial and agricultural production in Shenzhen, Zhuhai, and Shantou has developed fairly rapidly. The export trade has increased, the people's livelihood has been fairly greatly improved, and the social order is quite stable in the border regions. Economic rules and regulations on individual subjects in the special zone have been worked out and will be publicized and enforced.

A further readjustment of the ratio between accumulation and consumption has continued to improve the people's livelihood. While the economic readjustment was going on last year, the state continued its efforts to raise the people's standard of living. The income of the urban and rural population has increased to varying extents, and their savings deposits now total some 4,645,000,000 yuan, an increase



of 45.7 percent over the previous year (the increase being 49 percent for the countryside and 41.7 percent for the cities). From the collective distribution for peasants in the province, it is anticipated that each person will receive an average of 121 yuan--an increase of 17.5 percent over the previous year. If the income from commune members' household sideline occupations is taken into account, each person will receive an average of approximately 240 yuan. A total floorspace of more than 48 million square meters was completed for new homes for the peasants, and the plan to provide jobs for 400,000 persons in the cities was fulfilled. The income of the vast majority of workers and staff members has been increased, and the number of persons supported by each worker has declined. The payscales for teachers, workers, and staff members of secondary and primary schools, for medical and public health personnel, and for some of the personnel in the sports field are now being revised. The average annual income of workers from their wages in the province is now 820 yuan, an increase of 5.7 percent over that of the previous year. The funds from various sources used as investment on housing construction amounted to 900 million yuan, or more than two-thirds of the investment in nonproductive capital construction. Some 5.2 million square meters of floorspace have been completed in the cities, and housing conditions for the people are gradually improving.

Along with our achievements in economic construction, the province has also further developed socialist democracy, perfected the socialist legal system, strengthened the people's democratic dictatorship, promoted socialist cultural development, and consolidated and developed political stability and unity. In the past year, a great deal of work was done, and with remarkable success, on the judicial front in preserving social peace in the cities and the countryside, in combating espionage by special agents, in attacking counterrevolutionaries and criminals, and in reforming by means of education those who had erred. We also achieved new successes in science and technology, education, culture, public health, and sports. In various international and national tournaments, the sports participants from the province have won 158 gold medals. We have also made new progress in civil administration, overseas affairs, planned parenthood, construction in old areas, environmental protection, labor security, militia building, and people's air defense.

We should particularly mention that when typhoon No 7 visited the province with floods in its wake, the damage caused was very serious. Thanks to the solicitude of the Party Central Committee and the State Council, and to the heroic rescue work of commanders and fighters of the army, naval, and air forces of the PLA stationed in the province and of the local cadres and people, relief supplies were received in good time, and many stirring instances of selfless assistance to others were witnessed. Donations poured in from Guangzhou Municipality and other areas, from various fraternal provinces throughout the country, and from compatriots in Hong Kong and Macao; in a few days, we had received more than 1.5 million pieces of clothing and grain coupons totaling more than 300,000 jin of grain, in addition to large sums of money. This was a strong spiritual as well as material support for the people in the disaster area in overcoming their difficulties, restoring production, and rebuilding their homes, thus fully evincing the communist spirit of "relief from all directions to a disaster area."

fellow Deputies:

While the state has been carrying out a further economic readjustment, we have been able to achieve a fairly comprehensive economic development and to maintain a fairly high speed of economic growth. One objective reason is that in the province we have a high ratio of light industry and a large number of small and medium-size enterprises, and there have not been many major capital construction projects for us to call off. This is an advantage for us in meeting the requirements of readjustment. We enjoy fairly favorable conditions in our economic and trade relations with foreign countries. The permission given us by the CCP Central Committee and the State Council to adopt special policies and flexible measures and to retain a fairly large share of foreign exchange earnings has given us more maneuvering room for our economic work at home and in dealing with foreigners. This has helped us in bringing into play the strongpoints of the province. A subjective reason for our economic growth is that, after summing up our historical experiences, we have paid close attention to the actual conditions in Guangdong while implementing the policies and various important measures adopted by the CCP Central Committee and the State Council for further economic readjustment. We have also made efforts to keep our policies stable and coherent, with a view to stimulating the economy and maintaining a certain speed of growth during the economic readjustment. Specifically, we paid attention to the following four main factors.

First, implementing the policy of readjustment, restructuring, reorganizing, and upgrading, in light of realities in Guangdong.

Last year, in implementing the policy of further economic readjustment as required by the CCP Central Committee and the State Council, we proceeded from the realities in Guangdong in correctly handling the relationship between advance and retreat and in striving for progress in the process of readjustment. While strengthening centralization and unification, we also opened our doors further to foreigners, adopted more flexible measures at home, delegated more authority to the lower levels, and continued to enliven the economy. Then we stressed the need for improved management and supervision and actively and steadily carried out our restructuring in a way that was helpful to the readjustment. In developing our domestic economy, we also increased our economic and trade relations with foreigners and accelerated the construction of special economic zones. These measures have played an important role in helping us maintain a fairly rapid growth in our national economy.

Second, readjusting the economic structure and bringing into play the strongpoints of the province.

Readjustment of the industrial structure has speeded up the development of the consumer goods industry. The proportion of the value of light industrial output to that of total industrial output was increased from 61.8 percent in 1980 to 66.1 percent. While closing, suspending, merging, and retooling some enterprises, we also carried out reorganization and integration of others according to their productive capacity in order to increase the output of key products. We continued to readjust the product mix and the orientation of service for heavy industry so

that it can provide greater service for exports, for light and textile industries, for agriculture, and for the technical transformation of enterprises.

We continued to readjust the crop pattern in agriculture. While paying careful attention to grain production, we also took such measures as are suitable to local conditions in order to develop cash crops and economic diversification. According to the pattern, land with low rice yields were used for the rotational planting of peanuts and beans in a rational way, or for planting sugarcane and other cash crops. Some lowland unsuitable for growing rice was converted into fishponds for breeding fish. In the total agriculture output value in the province, the ratio of cash crops and forestry, animal husbandry, sideline production, and fishery combined was raised from 47.6 percent in 1980 to 52.3 percent. Total revenues of commune-run and production brigade-run enterprises totaled 4.96 billion yuan, an increase of 19 percent over the previous year. That was why, despite the serious natural disasters suffered last year, we had an overall increase in the output of cash crops and increased income from agriculture.

We readjusted the orientation of investment in capital construction and had better investment returns than in the previous year. Investment was increased in education, science, culture, public health, light and textile industries, commerce, service trades, city construction, and residents' housing. The ratio of nonproductive construction was higher than in previous years, and its orientation has become more rational. The construction periods were shortened, while the ratio of projects completed and in operation has been raised.

Third, actively and steadily restructuring the economic management system.

We continued to restructure the system of economic management in order to revitalize the economy and to arouse enthusiasm in various quarters. In industry, after the experiments in expanding the decisionmaking power of the enterprises and popularizing the experiences of Qingyuan County, we adopted the system of economic responsibility in various forms, overcame egalitarianism and the practice of "eating from the same pot," and increased the innate driving force of the enterprises. More than 90 percent of the state-run industrial enterprises in the province adopted the system of economic responsibility in various forms, and the collective enterprises in the second light industry sector assumed responsibility for their own profits and losses, thus further integrating the rights, responsibilities, and interests of the enterprises. In agriculture, many different forms of the system of responsibility for production, based mainly on responsibility for output quotas, were introduced so that the actual forms of collectivized agriculture would gradually correspond to the present level of agricultural productive forces. In finance, we introduced the practice by which the central and local authorities "each apportion their revenues and expenditures," and that of "cooking in separate kitchens." This has encouraged the authorities at various levels to increase their revenues and to curtail their expenditures. At the same time, we adopted the system of responsibility for grain output among the prefectures and counties. In commerce and the service trade, we have changed the system of relying solely on the regulative role of planning, and have supplemented it with the regulative role of the market. Many forms of business and many channels of circulation are now being used. Collective and individual economies are



fairly well developed in the cities. To give full scope to the role of Guangzhou Municipality and to speed up the development of Hainan Island, the Guangdong Provincial CCP Committee and the people's provincial government have decided to increase the financial power, the economic power in dealing with foreigners, and some other powers of Guangzhou Municipality and Hainan Island so that they can more effectively develop their own production and construction.

Fourth, regarding the development of economic and trade relations with foreigners as an important part of the provincial economic construction.

Firmly upholding the policy of encouraging investment and exports and making full use of foreign funds and rational use of foreign exchange, we have restructured the system of economic and trade relations with foreigners so as to arouse enthusiasm at all levels for developing these relations. All departments, prefectures, municipalities, and counties have actively expanded their trade and economic relations with foreigners, attached great importance to the production base for export commodities, and made great efforts to increase their "three imports and one compensation" activities. Of the 13 prefectures and municipalities in the province, 12 overfulfilled their procurement plans for foreign trade. Some municipalities and counties have combined the processing of imported materials with the processing of materials supplied by customers along with technical transformation in the enterprises. By this means they have raised their productive capacity and have promoted the readjustment and development of economy.

Fellow Deputies:

The year 1981 was a year of exploration and advance in continuing the adoption of special policies and flexible measures, as well as the year of our steady national economic development after surmounting various difficulties. All the achievements of that year were attributed primarily to the correctness of the line, principles, and policies adopted after the Third Plenary Session of the 11th Party Central Committee, and to the great might displayed by the special policies and flexible measures. At the same time, they were the result of the unity and great efforts of the people's governments at all levels, the broad masses of cadres and people on various fronts, the people of all national minorities, and personages of all parties and groups in the province, under the leadership of the CCP. The commanders and fighters of the army, naval, and air forces of the PLA stationed in our province have won outstanding achievements in defending and participating in socialist construction, in supporting the people in rescue operations, and in guarding the coastline of the motherland. The broad masses of overseas Chinese, compatriots in Hong Kong and Macao, and our Taiwan compatriots have made new contributions in supporting construction in their motherland. On behalf of the People's Government of Guangdong Province, I wish to express our deep respect and heartfelt thanks to the comrades and compatriots struggling on various fronts!

While affirming the excellent situation and the achievements in economic readjustment, we must also note the many difficulties and problems in our economic work. First, we did not fully realize the seriousness of the problems of unhealthy tendencies in the economic sphere, of liberalistic tendencies, of smuggling activities, and of graft, bribery, and other violations of the law, and we

failed to adopt stern measures in dealing with violations of our economic policies and laws. We also failed to deal powerful blows against smuggling, graft, bribery, and other criminal activities. Second, our management and supervision have lagged behind, and we have failed to handle matters in the way they should be handled. For example, imports of consumer goods have been excessive; the scale of capital construction was too large; controls on the payment of bonuses have not been strict enough; and price rises, particularly among vegetables and nonstaple foods, have adversely affected the people's livelihood. Third, because of the shortage of energy resources, the heavy strain on transportation facilities cannot be alleviated, and economic development has been seriously handicapped. Our economic results are poor, and there is serious waste. Fourth, our administration is overlapping and overstaffed with multitiered departments crammed full of superfluous personnel, and bureaucracy is rampant. All these things must be taken seriously, and the people's government at all levels in the province should adopt forceful measures to deal with them.

While taking a serious view of these difficulties and problems, we should also note our favorable conditions and strengthen our confidence that we will triumph over them. At present, the enthusiasm and initiative of the broad masses in the province are further developing, and our experiences in adopting the special policies and flexible measures are being carefully reviewed. The political and economic situation is continuing to develop in a direction that is favorable to us. Our ranks are now more united; our work is more in step; and the road we are taking continues to become broader. We deeply believe that as long as the people in our province continue to advance along the correct road charted by the Party Central Committee for building socialism, conscientiously carry out the 10 principles formulated by the State Council, and work hard, we can certainly surmount the difficulties in our path so that the situation will continue to improve every year.

## II. The Main Economic Construction Tasks for 1982

In his report to the Fourth Session of the Fifth National People's Congress, Premier Zhao Ziyang put forward 10 principles for economic construction in our country in the future. These principles have pointed out the direction of our advance. To develop the national economy in the province according to the Sixth Five-Year Plan, we must carry out these principles in the light of actual conditions in Guangdong, basically complete the tasks of economic readjustment in our province, actively restructure the economic system, pay great attention to technical transformation, improve economic results, strive to maintain a fairly high speed of economic growth, and gradually improve the people's livelihood on the basis of production development. By these means, we will be able to conserve our strength and provide a good foundation for even greater developments during the Seventh Five-Year Plan. Now let me report to the congress our main tasks and measures for economic development in the province in 1982.

Based on the main tasks put forward by the CCP Central Committee and the State Council for economic development throughout the country in 1982, the Guangdong CCP Committee and the provincial people's government have set the following targets, in the light of realities in the province: Economically, we will strive

for better economic results and a higher rate of development; politically, we will strive for a decisive improvement in party style, social practice, and social stability so that our work in various respects will be raised to a higher level. The general planning is for a twofold task: the promotion of both material and cultural development, with particular emphasis on the work of modern economic construction. The main tasks for our province in economic development in 1982 are to consolidate and develop the fruits of the economic readjustment; to maintain a fairly high rate of economic development; to improve economic results; to strengthen our economic relations with foreign countries; and to resolutely stabilize commodity prices, in striving for new economic progress in the province. The main economic planning targets are: a 6.4-percent increase in our total industrial and agricultural output value; a 4-percent increase in our agricultural output; a 7-percent increase in our industrial output; a 12-percent increase in the volume of retail sales; a 6.5-percent increase in our total export value; and a 6-percent increase in revenues. Therefore we must resolutely enforce the special policies and flexible measures, adopt the methods which have proved to be effective in enlivening the economy, and continue to improve the economy. At the same time, we must step up efforts to combat violations of economic laws, and liberalistic and other unhealthy tendencies. We must provide more active supervision and administration, step up our planned management in order to achieve an overall balance, exercise strict control on the market and commodity prices, regulate the payment of bonuses, and strengthen the control and coordination of our economic relations with foreign countries so that we can be united in our action vis-a-vis foreigners. These methods will enable our province to bring about a healthy economic growth.

In 1982, we should stress the following nine items of work in economic construction:

(1) Strive for an all-round bumper harvest in agriculture.

At present, the rural economy in our province is full of vitality. In striving for an all-round bumper harvest in agriculture, we must resolutely implement the rural economic policies which have proved to be effective in order to arouse the enthusiasm of the broad masses of peasants for production. At the same time, we should strengthen the basic-level political power in the countryside. The production brigades and production teams should be more active in their economic function, while the communes and production brigades should be correspondingly strengthened in their function as organs of political power at the basic level, so as to ensure that all rural policies can be carried out and all assigned tasks can be accomplished.

Agricultural production should be guided mainly by a planned economy, supplemented by the regulative role of the market. The communes, production brigades and teams, and peasants must accept the guidance of state planning and should not indiscriminately plant whatever is more profitable. In readjusting crop patterns, they must uphold the policy of actively developing economic diversification without relaxing their efforts on grain production. In the past 3 years, we have taken rather stringent measures to readjusting crop patterns, with the result that the land [devoted to] grain production has been much reduced. Hereafter,

there can be no further reduction in the area for grain crops, and strict control must accordingly be exercised, particularly in those areas where commercial grain has to be transferred in. If the low-yielding fields in the high and cold mountainous areas are unfit for growing rice, they may be used for other crops after approval. In the future, the counties, originally serving as grain-supply units, cannot reduce their supplies, and in normal years they should even gradually increase their supplies. For those counties originally receiving grain supplies, such supplies cannot be increased in future. Furthermore, the supplies should be gradually reduced every year. The urban suburbs should mainly engage in vegetable growing to ensure adequate supplies for the cities. The peasants should be taught to properly handle the relationship between the state, the collective, and the individuals, so as to ensure that the unified, assigned, and contracted purchase of agricultural sideline products can be accomplished.

In developing economic diversification, stress should be laid on the tapping of potential in the mountainous and hilly areas, on beaches, and in territorial waters, and the geographical conditions of "seven mountains and one river" in our province should be fully utilized. We should energetically develop both freshwater and seawater breeding and quickly restore and develop ocean fishing. In developing animal husbandry, we should pay equal attention to the raising of hogs, chickens, ducks, and geese as well as to grazing animals. We should encourage some households to raise hogs as their special and exclusive occupation, so as to fulfill the procurement quotas of hogs and to implement the policy of production quota. The fine breeds of cattle and fowl should be popularized along with the improvement of their immunization, and mixed foods should be developed in order to promote scientific feeding.

The system of production responsibility should be consolidated and improved. From now on, provided the principles of socialist collectivization in agriculture and of public ownership of the basic means of production, such as land, are upheld, the system of production responsibility--mainly the responsibility for given output quotas--should be affirmed. We should sum up the experiences and further improve this system. In work, we should provide guidance according to local conditions and the need to develop production and improve the economic results. The work should be either split up or unified according to local production needs. Through the system of responsibility, divided and unified efforts should be well coordinated so that there will be unified control as well as individual responsibility. We should permit the coexistence of many different forms of undertakings, labor organization and methods of remuneration so as to combine the enthusiasm of individual commune members with the superiority of unified collective management. Continued efforts should be made to improve the system of responsibility in forestry, animal husbandry, sideline production, and fishery production and to improve the system of economic responsibility among the commune-run and production brigade-run enterprises, the enterprise units, the public agencies engaged in scientific research, farm machinery, irrigation, and so forth. We should encourage and provide guidance for various new forms of cooperation and economic integration.

We should strengthen our work in agroscientific research, popularize agrotechniques, sum up our experiences, widely disseminate the fruits of successful



research in science and technology, and gradually set up a system to popularize the application of such science and technology. In conducting agrosience and technology, we should bear in mind the need to develop agriculture and stress the breeding of fine strains, the improvement of soil, the conservation of water, the protection of soil and plant life, the pattern of crops, and the upgrading of insecticides and farm machinery. We should also try to produce outstanding results in the exploitation and utilization of tropical and subtropical resources. Research in high and stable yields of late rice should be our main concern. We should step up our efforts in agricultural zoning, general soil surveying, inspection of the coastline, and comprehensive investigation into the natural resources of Hainan Island, all of which are already in progress.

Exploitation and construction of the mountainous regions are strategic tasks in developing the rural economy in our province. In developing the mountainous regions, we should uphold the principle of all-round development, with forestry as the main factor, and including economic diversification with a combination of long- and short-range plans. We should work out suitable plans, adopt flexible policies, create more avenues of production, and further enliven the economy. The important job at the moment is to promote forestry production, to delegate authorities for mountains and forestry, to designate private mountains for commune members, to set up the system of responsibility for forestry production and to strengthen the planting of economic trees and the management of economic forests. We should encourage and support the planting of fruit trees, tea, bamboo, and medicinal herbs, and the setting up of quarrying bases and small hydropower stations in the mountains. At the same time, we should energetically consolidate and develop the state forestry farms and those run by commune and production brigades, and exercise unified control of timber production. Indiscriminate felling of trees must be strictly forbidden. Governments at all levels and all departments concerned should give more and greater support and assistance in the form of manpower, material and financial resources, and technology to the mountainous regions, and particularly to the old revolutionary bases and the minority nationality areas.

People throughout the province should actively respond to the call issued by the Fourth Session of the Fifth National People's Congress for a national afforestation drive, and accordingly launch a tree-planting campaign so that everybody will plant trees, love trees, and cover the motherland with trees.

(2) Continue to readjust the industrial structure, carry out an all-round reorganization of enterprises, pay attention to technical transformation, and improve economic results.

We should continue to attach great importance to the development of the daily consumer goods industry, readjust the service orientation of heavy industry, and make great efforts for the production of goods urgently needed in people's daily lives and the production of export commodities.

In accordance with the decisions of the CCP Central Committee and the State Council concerning an all-round reorganization of state-run industrial enterprises, we should, beginning this year, carry out in a planned and systematic way a

comprehensive reorganization of all state-run industrial and communications enterprises in the provinces in order to improve their economic results. This overall reorganization of the enterprises will be comprehensive, including a reorganization of the leading bodies and the ranks of workers and staff members, a streamlining of the management system, a revision of labor discipline and financial and economic laws, and a strengthening of ideological and political work and cultural and technical education among the workers and staff members. The key to reorganization of the enterprises lies in the perfection of the system of economic responsibility. To combine the reorganization of enterprises with the perfection of the system of economic responsibility, with a view to improving economic results, we must stress the following points: 1) The system of profit retention and responsibility for profits and losses should be combined with an overall evaluation of the economic and technical indexes and the way in which contract obligations are fulfilled, so as to guard against a tendency toward a one-sided quest for profits. 2) In order that the responsibility system inside the enterprises can be enforced as a matter of prime importance, personnel at all levels must be given specific jobs with specific responsibilities. By this means there will be a combination of rights, responsibilities and interests, strict controls, and a clear distinction between awards and punishments. We must continue to overcome "eating from the same pot" and egalitarianism. 3) The relationship of the interests of the state, of the enterprises and of individual workers and staff members should be correctly handled. The profit base and the ratio for profit retention set by the state for the enterprises should be rational. If the base figure is too low or the ratio of retained profit is too high, there should be suitable readjustments. In the distribution of profits that are above quota, we must be sure that the state has the larger share. The increase of retained profits for an enterprise cannot exceed the increase in production or profit. Bonuses to the workers and staff members should be based on their above-quota labor. In deciding on the amounts of bonuses, we should be mindful of the feelings of other people. Enterprises that practice the system of piecework wages must first set advanced average quotas for production and consumption, coordinate the sequences of operations, and ensure good quality and variety in their products. Indiscriminate payment of bonuses under plausible excuses which may undermine the state and the collectives must be resolutely checked. 4) The principle of collective party committee leadership should be upheld, as should democratic management by workers, with the factory director in charge of administration. Through overall reorganization, there should be a system of democratic and centralized leadership in the enterprises, a contingent of workers and staff members who are both Red and expert, and a scientific and civilized system of management. These enterprises will then become "six-good" enterprises--namely, good at considering the interests of the "three parties" [the state, the enterprise, and the individual workers]; good-quality products; good economic results; good labor discipline; good at civilized production; and good in political work. In reorganizing the enterprises, we should have overall planning, take into account the experiences gained in selected enterprises and their popularization in other enterprises, and provide separate guidance level by level. The reorganization of enterprises will be carried out in two separate groups in the province this year. First to be reorganized will be the large backbone enterprises and key enterprises; we hope basically to complete the reorganization of all state-run industrial and communications enterprises in 2 years or a little longer. Commercial, service trade, foreign trade

enterprises (including industrial-foreign trade and agricultural-foreign trade enterprises), and collectively owned industrial, commercial, and communications enterprises should also be reorganized in separate groups in the same spirit.

In our province, there are many old enterprises which have outdated equipment, backward technology, low productivity, and poor economic results. We must selectively carry out technical transformation and equipment renovation among them, in coordination with the importing of technology and equipment, in order to improve their economic results. All trades and undertakings, all prefectures and municipalities should work out 3-year or 5-year plans for technical transformation to be carried out each year, in the hope that, after several years of effort, the production technology of the enterprises will be raised to a new level and will acquire a brandnew complexion. In carrying out technical transformation at present, we must stress the need for improved quality so as to promote the upgrading of products. We must also stress energy conservation, the saving of raw and semi-finished materials, and improved transportation. At the same time, we should pay attention to the comprehensive utilization and treatment of the "three wastes" and other technical transformation projects. This year, the province has appropriated 60 million dollars out of our retained foreign exchange earnings to be used on the importation of advanced technology and equipment and on the key projects of technical transformation. All departments in the various localities should also raise funds (including their retained foreign exchange earnings) to be used for the technical transformation of their enterprises. The depreciation funds and production development funds of enterprises should be used mainly for their technical transformation, and must not be diverted to welfare facilities or be used to finance new construction projects. In importing technology and equipment, we must lay stress on their real effects instead of one-sidedly insisting on automation.

### (3) Strengthen energy resources and transportation facilities.

The principle for the solution of the energy problem is to stress both exploitation and conservation, with priority to be given at present to conservation. We should vigorously transform our old equipment, popularize new techniques and technology, lower energy consumption, and raise the utilization rate of energy. To strengthen our energy control, we should pay particular attention to the heavy consumers and the large and medium-size cities where the consumption is heavy, so that our limited energy resources can be used on the most urgently needed production and construction projects with better economic results. We should look for new energy resources to solve the problem of fuel in the daily life of the urban and rural population. Marsh gas should be developed on a large scale in the countryside.

Our coal production this year must be increased; we cannot afford to have any decrease. Therefore, we should appropriately increase our funds for coal mining, implement the relevant policies, and further arouse the enthusiasm in various localities and coal mines for production. All coal mines, including small coal-pits that are in fairly good condition, should be actively exploited as long as they have resources and these resources can be transported out of them. At the same time, we should try every possible way to bring in more coal from other provinces. As to electric power, we should adhere to the principle of large,



small, and medium-size combinations and combinations of hydropower and thermopower, and pay particular attention to the development of hydropower by completing the auxiliary equipment for the existing hydropower stations. Beginning this year, we will increase the construction of small and medium-size hydropower stations by approximately 150,000 kw. The electric power construction projects and the engineering projects for power transmission and transformation which have been included in this year's plan must be completed on schedule.

To solve the problem of transportation, our main efforts in the near future should be directed at tapping the potential of existing railroad and highway facilities, while at the same time vigorously developing waterway transport. This year we have appropriately increased our investment in capital construction for transportation mainly for the purpose of renovating and transforming our ships, building harbors and bridges, increasing the capacity for loading and unloading, and raising the efficiency of transportation. We should actively support collective enterprises that engage in waterway transport, and quickly change the backwardness of inland river navigation. We will open more scheduled runs for freighters between Guangzhou and the northern ports and for passenger-cargo ships between Guangzhou and Shanghai, so that more supplies can be brought into our province by sea. The key projects for rebuilding the Guangzhou-Shantou, Guangzhou-Shenzhen and Guangzhou-Zhuhai highways and the building of bridges at some ferry points should be completed according to schedule, so that they can yield the desired results as soon as possible. Enterprises engaged in communications and transportation should improve their business management and set up a rational system of dispatching so as to reduce the number of empty runs and to raise their transport efficiency. In communications, our primary concern should be to provide better telephone service in the large and medium-size cities--particularly in Guangzhou, the special economic zones, and Hainan Island. Telephone service in the countryside should also be improved.

There is a bright future for this province in energy resources and communications and transportation facilities. We will soon invite tender offers from abroad for the exploration and exploitation of the Nanhai oilfield. The state has already approved the building of the Shajue powerplant, and efforts are being made to include the building of a nuclear power station in the Sixth Five-Year Plan. The State Council has approved the laying of double tracks in the southern section of the Beijing-Guangzhou Railroad, and feasibility studies are being conducted on the building of freeways from Guangzhou to Shenzhen and Zhuhai. In our long-range planning, we must pay great attention to the major projects in order to basically change the present weaknesses in energy resources and communications in our province.

#### (4) Maintain basic stability of market prices.

In recent years, the prices of some commodities, mainly vegetables and nonstaple food, were excessively increased, thus affecting people's livelihood and causing widespread concern. To stabilize commodity prices, the Guangdong Provincial Party Committee and the provincial people's government have since last year repeatedly studied the situation, worked out suitable measures, and done a great deal of work which has had certain good results. This year we must firmly implement the State

Council's Notice and the other relevant rules and regulations concerning the stabilization of market prices, continue to uphold the policy of maintaining the basic stability of commodity prices, and take resolute and effective measures to check the tendency toward price inflation. We should combine the use of economic and administrative methods with ideological education as a comprehensive treatment in order to guarantee the basic stability of commodity prices.

In stabilizing commodity prices, we must continue our efforts toward solving the most urgent problem. Commodity prices, which account for 60-70 percent of workers' daily expenditures, must be firmly stabilized so as to ensure an adequate supply of goods basically needed for the gradual improvement of the people's livelihood. The prices of vegetables and nonstaple food, rentals, and charges for the use of water and electricity must be kept basically stable. We must further carry out the provincial people's government's 10 measures for stabilizing vegetable prices and be sure they produce good results.

The key to price stability lies in the development of production, an orderly market, and more effective market control. In setting our market in order this year, we should pay particular attention to the production of nonstaple food and industrial daily consumer goods, and try every possible way to narrow the difference between availability of commodities and social purchasing power and to control the retail price indexes of consumer goods. The principal measures to be used are: to increase the production and supply of nonstaple food and vegetables, with particular attention to their supply during lax seasons and after natural disasters; to set up strong production bases for nonstaple food, and support and encourage some households to raise fowl and cattle as their special occupation; and to educate the cadres and peasants on the need for the "three considerations"--with administrative intervention, if necessary--so as to guarantee the fulfillment of the tasks of production, procurement, and delivery of nonstaple food to the state. Controls over the procurement of light and textile industrial products and daily consumer goods should be strengthened, and the system of economic contracts should be further improved. Sales of industrial products by industrial units themselves should be streamlined strictly in accordance with the regulations of the state and the province, and the scope of sales cannot be enlarged without permission. Sugar, cigarettes, matches, soap, and pencils, altogether five types of commodities, must be procured by the commercial departments according to a unified policy; factories are not permitted to sell them. The monopoly on sales of tobacco and liquor should be restored. The rural market should be set in good order, and the supply of industrial goods to the countryside--particularly chemical fertilizers, insecticides, small and medium-size farm tools, building materials, bicycles, sewing machines and so forth--should be carefully attended to. We should reduce stockpiling by increasing sales. Cash and banking management should be strengthened, and continuing efforts should be made to control the issuance of currency, to organize currency withdrawal by noncommodity means, and to provide various savings facilities. At the same time, we must strengthen our control over market prices, strictly enforce price laws, resolutely check the unhealthy tendencies in the sphere of commodity circulation, and deal resolute blows at speculation, profiteering, the driving up of prices and other illegal activities. Governments at all levels should include the subject of market prices on their meeting agenda; this subject should be discussed several times each year. We hope that people's

deputies at all levels will do some publicity work concerning the principle and policy of pricing among the masses, convince them of the firm confidence and determination of the government with regard to stabilizing the market prices, and carry out their constant supervision and inspection in this connection.

(5) Strengthen financial and banking management; ensure a balanced financial budget.

This year the province has a fairly tight financial budget. Furthermore, we have to continue to share the state's financial difficulties, and our task is an arduous one. We must make every possible effort to improve economic results, strengthen our management, increase our revenues, curtail our expenditures, oppose waste, and guarantee a balanced financial budget with a little surplus.

Governments and financial departments at all levels must conscientiously study the methods of acquiring, accumulating, and spending money, and must adopt various methods to help the enterprises develop their production, increase their revenue, and open up more sources of income. The financial system should be further improved and perfected according to the relevant rules and regulations of the provincial government. Financial departments must do everything within their power and devise ways and means to support any project that is conducive to the development of production, to an improvement of economic results, and to an increase in revenues. All localities and departments, while carrying out the economic measures, must fully consider the effects of their action on financial receipts and expenditures. They must close, or reduce, the loopholes that lead to increased expenditures and decreased revenues.

We should continue financial inspections among enterprises, consolidate our finance, and strictly enforce our financial laws. No department whatsoever can inflate its production costs or operating expenses or raise the ratio of retained profits or retained special funds without authorization, while the erroneous practices of holding back profits that ought to be delivered to the state and transferring funds for unauthorized purposes must be resolutely checked and corrected. Financial consolidation should be highlighted by a revision of the bonus system; the indiscriminate payment of bonuses must be stopped and severely dealt with. The taxation departments should strengthen their control of tax collection in order to do their work really well. They should cooperate with the relevant departments in controlling the collection of taxes on the agricultural-foreign trade market, and, in accordance with unified state planning, and based on the actual conditions in the province, taxes should be restored on certain items and imposed on others. The work of bank credits should be strengthened, and active measures should be adopted to raise social funds and transform consumption funds into construction funds. All localities, economic departments, and enterprises should pay great attention to the control and use of their own funds. They should speed up the turnover of their circulating funds and endeavor to shorten the construction periods of their capital construction projects in order to bring about better investment returns. In making financial payments at various levels, we should combine extra-budgetary funds with budgeted funds and use them rationally, in line with overall planning, in order to produce better economic results.

All regions, all departments, and the broad masses of people should support state construction by actively subscribing to the treasury bonds.

(6) Expand economic and trade relations with foreigners.

The expansion of economic and trade relations with foreigners should occupy an important place in the economic construction of the province. To develop our foreign trade, we must greatly increase the sources of goods for export and rationally readjust the product mix according to the principle of an overall arrangement for our domestic and export sales. We must continue to promote exports of our agricultural sideline products and native products; exports of light and textile industrial products, special arts and crafts, mechanical and electrical appliances, nonferrous metal, and other mineral products; and exports of finished products. We must make great efforts to improve the quality of export products, raise their grades, increase their designs and varieties, and develop more brandname and highly competitive products. While expanding sales of the traditional products of the province in Hong Kong and Macao, which now serve as our markets, we should boldly enter the international market, set up and increase the network outlets abroad to push our sales, open more new markets, and expand our overseas trade. We will make great efforts to expand the processing of imported materials and to be sure that these processed materials will form approximately 40 percent of the total sources of our export goods. We must improve our foreign trade management and practice the system of economic responsibility, so as to increase the foreign exchange earning capacity of our products, facilitate the fulfillment of our contractual obligations, and stimulate our export trade. We should also strengthen the work of customs inspection and improve the construction and management of the coastal ports.

We should carefully sum up the experiences of our economic relations with foreigners and combine such economic activities with the economic readjustment and economic construction in our province, along with the technical transformation of our old enterprises and the strengthening of our weak links, so that these economic activities will further increase our power of self-reliance. Under the principle of unified planning, rational disposition, and efficient management, we should actively promote the "three imports and one compensation," coproduction, joint ventures, and export of labor. In addition to cooperation in the expansion of small and medium-size projects, we should also have the courage to import large projects. In importing technology, we should import mainly the advanced types that are suitable for our use, the key equipment and the single engines which we cannot manufacture in our country. It is also permissible to import certain advanced complete sets of equipment, if necessary. At the same time, we should make efforts to assimilate imported technology, popularize what we have learned from it, and introduce certain technical innovations. For all these projects, we should conduct careful feasibility studies, consider our ability to repay, be sure that the basic conditions are favorable for normal production, and stress economic results.

Tourism should be actively developed under overall planning. Our services should be improved, and the attractions offered should embody our socialist spiritual civilization as well as the unique characteristics of Guangdong.

Control over foreign exchange should be strengthened, and the retained share of foreign exchange for localities should be carefully used. It should be used mainly for the purpose of importing raw and semifinished materials, supporting industrial and agricultural production, keeping the domestic market well balanced, and boosting export trade. It can also be used for importing technology and equipment, strengthening the technical transformation of enterprises, improving our communications and transportation, and increasing our energy resources and building materials. A further way to use this foreign exchange is to bring in some commodities that are needed by the people but are in short supply at home. Import management must be strengthened, and the import of consumer goods must be strictly controlled and subject to approval by the provincial government. The retained foreign exchange should also be carefully controlled according to plan. All transfers or exchange of foreign exchange must be arranged through the Bank of China at the state's official rate of exchange. Black market and any [other] form of illegal dealings in foreign exchange are strictly forbidden. Contacts, cooperation, and integration with other provinces will be increased, but these must be in strict accordance with state and provincial regulations. Procuring goods for export by offering higher prices and selling imported consumer goods in other provinces--which may conflict with the state's policy to protect domestic industry--are not permitted. The reorganization and control of small businesses should be strengthened in order to combat and proscribe their being used as channels for smuggling, illegal dealings in foreign exchange, and other illegal acts.

Experiences should be carefully summed up in restructuring the foreign trade system. Prefectures and municipalities have the right to examine, supervise, and readjust the business of the branch companies at various ports. They will consolidate and strengthen import-export companies based on the combination of industry and foreign trade, agriculture and foreign trade, or technology and foreign trade; clearly define the scope of their business activities; set the planned tasks for imports and exports; strengthen their organizational structure; perfect the rules and regulations; and adopt a unified policy in dealing with foreigners so as to lead the work of procurement, imports, and exports on to the road of healthy development.

#### 5. Strengthen the building of special economic zones.

In building special economic zones, we must conscientiously sum up our experiences, strengthen our management, and speed up construction so that within this year, the foundation of these zones can be firmly established. We should continue our legislative efforts for these zones. The regulations on special economic zones and the economic rules and regulations on individual items which have already been promulgated should be properly carried out, and the formulation of other necessary rules and regulations should follow. The special zones should have a free hand in attracting foreign funds and importing advanced technology. At the same time, they should attach great importance to feasibility studies. Some plants and enterprises should be jointly set up by the special zones and some inland enterprises for the purpose of producing export goods. We should continue our efforts to work out an overall plan for social and economic development and urban construction plans for the special zones, act strictly in accordance with these plans,



and draw a demarcation between special and the nonspecial zones as soon as possible. All three special economic zones should pay special attention to the development of transportation and communications and speed up the infrastructural construction. In the Zhuhai special economic zone, the traffic route between Jiuzhoukang and Hong Kong should be opened as soon as possible. We should actively create favorable environments and good business conditions for prospective investors. All new problems that may emerge, or have already emerged, in the special zones must be promptly investigated and solved. We should pay great attention to the training of personnel and gradually reform the present personnel system. We should also strengthen our cultural development, preserve and develop our fine national and proletarian traditions, and create a new socialist atmosphere.

(8) Vigorously develop science and technology to serve economic construction.

The leadership at various levels should further recognize the importance of science and technology. Leaders must uphold the principle of using science and technology to serve economic construction (including the work of science and technology in our national economic plans), work out long- and short-range plans for the "three-in-one" development of science and technology, economy, and sociology, and use the scientific and technical forces to promote national economic development. In planning, we should study how to bring Guangdong's strong points into play and how to solve the technical problems involved in increasing agricultural output and in carrying out industrial technical transformation, conservation and exploitation of energy resources, the comprehensive utilization of natural resources, and environmental protection. Scientific research and the production departments should, through investigation and study, set up specific projects to be included in our planning, organize their forces to tackle the key problems, accomplish these projects one by one, and thus make new breakthroughs in the technology of production so that our production level can be further raised. At present, we should quickly apply and popularize our scientific and technical achievements. We should stress the application of the results of scientific and technological research in laboratories to production--first among the advanced regions and units and later among the backward ones. The advanced technology imported from abroad should be extensively used in production and construction. Scientific research should be carried out with joint forces. The scientific research departments should closely cooperate with one another and at the same time strengthen their contacts and cooperation with the production departments. They should sign scientific and technological cooperation contracts and speedily popularize the results of scientific research. Enterprises and plants should establish their own scientific research organs and have them adequately staffed. Then they should take the initiative to invite cooperation from the scientific research departments in order to better serve production. We must strengthen the scientific and technological ranks, give full scope to the role of the old scientific and technical personnel, and commend and reward outstanding achievements. Those who are genuinely competent should be properly evaluated and promoted, while young and middle-age scientific and technical personnel should be carefully trained, selected, and appointed. There are many scientific and technical specialists among the overseas Chinese and the Hong Kong and Macao compatriots, and these specialists constitute a force that cannot be ignored. We must make every effort to obtain their contribution to scientific and technological development in our province.

(9) Continue to improve the people's livelihood; strictly control population growth.

The purpose of all our work is to satisfy the constantly increasing requirements of the people's material and cultural life. Since the state is still in difficulty during the present readjustment of the national economy, the improvement of the people's livelihood can only be based on the development of production, and such improvement can only be gradual, as permitted by our capabilities. In taking care of the people's livelihood, we must see to it that the people are well fed and at the same time we must enable the state to carry on construction. We can neither disregard the people's suffering nor let them eat up everything. Our main jobs for this year are as follows:

(1) In trying to create more job opportunities, we should base our planning mainly on the development of the collective and individual economy, the development of handicrafts, the repair trade, commerce, and other forms of social services. People can either be recommended by the labor departments or organize themselves on a voluntary basis to look for their own means of living.

(2) Workers' wages should be increased on the basis of a rise in labor productivity, while the peasants' income should be increased along with the development of agricultural production.

(3) We should continue to raise funds from various sources to build residential houses so as to improve the housing situation. We will make every effort to complete at least 5 million square meters of floorspace this year. At the same time, we will take active and planned steps to solve the problems of drinking water, electricity, public transportation, commercial network outlets, public health, and environmental pollution in the urban and rural areas. Housebuilding in the countryside must be controlled under a unified plan, and the use of farmland is strictly forbidden.

(4) Due arrangements should be made for the people's livelihood in the disaster areas. In places where natural disasters have brought hardships to the people, the provincial and local governments must adopt effective measures--including state aid, social relief, and self-help through production--to help these people tide over their difficulties and live a settled life.

Family planning should be strengthened in order to strictly control population growth. This is an important strategic issue in our socialist modernization program, and it has a bearing on the future destiny of our state and our nation. Leading government cadres at all levels should fully recognize its significance, resolutely implement the directive recently issued by the CCP Central Committee and the State Council concerning further efforts for family planning, provide more active leadership, and carry out sustained, in-depth propaganda and education among the broad masses of people for the specific purpose of convincing them of the great significance of family planning and population control so that these people will realize the urgency and arduous nature of this task and gradually become eager to cooperate. We should provide health protection for women and children and improve the eugenic quality of our population by limiting its



number. The focus of our work in family planning is in the countryside. The problem of support for the families enjoying the "five guarantees" should be solved satisfactorily. We will make every effort to lower the rate of natural population growth in the province to less than 1.3 percent.

The third national census is a large-scale social survey that will enable us to have a better grasp of our basic national conditions. The governments at all levels should strengthen their leadership in this work. Approximately half a month before and after the standard hour on 1 July when the census will officially begin, these governments should regard the census as their central task and as one that must be carried out thoroughly.

### III. Strive for Socialist Cultural Development

There must be a high level of socialist cultural development. This is a fundamental issue in the socialist modernization program. While striving for a high level of material development, we must also have a high level of cultural development before we can guarantee the sustained development of our national economy and the socialist orientation of our material development. Since our province is close to Hong Kong and Macao, and since we are adopting a more active open-door policy, it is even more necessary for us to strengthen cultural development. Therefore, we must undertake a twofold task: material development on the one hand and cultural development on the other. Of course, this twofold task is consistent with the modernization drive which is the focus of our work, and both of them should be our correct guiding thought in our overall planning. We should continue our in-depth study of the "Resolution" of the Sixth Plenary Session of the 11th Party Central Committee and continue to carry it out so as to achieve a unity of purpose in overcoming the state of laxity and flabbiness in leadership and in mobilizing the entire social force to influence public opinion in striving for socialist cultural development. We must conduct in-depth and sustained education in the four basic principles, education in the "three considerations" of socialism, patriotism, and collectivism, and education in the worker-peasant alliance; oppose the bourgeois corrosive ideology and various bad tendencies; uphold the four basic principles; and combat liberalistic tendencies. We must continue to stress sanitation, hygiene, ethics, and courtesy as the breakthrough points in the extensive "five stresses and four points of beauty" and "national socialist ethics and courtesy month" campaigns, so that the broad masses of cadres and people will all bear in mind the overall situation, uphold principles, respect and be concerned with one another, become united, help one another, and develop comradesly relations. We should further strengthen ideological and political work, develop patriotism by placing the interests of the motherland above all things, foster the spirit of dedication to the socialist modernization drive, and firmly oppose unhealthy tendencies in an effort to bring about a decisive improvement in the workstyle of cadres, the social atmosphere, and the social order in our province.

Developing education, science, culture, arts, hygiene, and sports in order to raise the people's scientific and cultural level is an important component of socialist cultural development. Education is the foundation of achievement in the four modernizations, and the school is an important base for cultural development,

which begins in the primary schools and kindergartens. The present educational level of our province is inadequate for the requirements of economic construction. All levels of government must step up their efforts in intellectual investment by increasing funds for education so that a correlation between intellectual investment and economic construction can be achieved. The focus of our educational work this year is to implement the principle of overall moral, intellectual, and physical development; to pay attention to teacher training in order to improve the quality of teaching; and to strengthen ideological and political work among the students so as to create a new atmosphere for the schools. While continuing the rational readjustment of the layout for higher education, we should actively proceed with the preparatory work for Shantou University and Hainan University and strive to administer the sparetime universities, TV universities, correspondence universities, and agricultural radio schools well. For secondary education, we should gradually alter the monotonous structure of secondary schools and vigorously promote vocational and technical education. If conditions permit, enterprises should also be encouraged to conduct their own vocational secondary schools. We should at the same time step up our work in popularizing elementary education and in wiping out illiteracy, and try our best to open more kindergartens and train more kindergarten teachers so that more children can receive preschool education. Elementary and secondary school students should wear school uniforms and speak Mandarin as the popular language.

In developing sparetime education for the workers and peasants, we should provide conditions for them to study without [having to] quit their jobs. In public health, we should improve the administration of the medical and public health units, strive to raise the standards of medical work, public health, and nursing, and pay special attention to the reorganization of medical and public health services in the countryside so as to perfect the rural public health network. All sports personnel in the province should learn from the spirit of the Chinese women's volleyball team in struggling and in scaling the high peak so as to achieve more outstanding results and to promote mass sports in the province. All undertakings, including cultural, arts, newspaper, broadcasting, television, and publication units, should contribute to socialist cultural development by producing more fine works with healthy ideological content, novel styles of presentation which the masses enjoy, and rich typical Guangdong flavor so as to create a rich and colorful cultural life which will dominate the ideological and cultural sphere as a bulwark against the corrosive influence of bourgeois culture as an inspiration to the masses in striving for the four modernizations.

In striving for a decisive improvement in our social atmosphere, we should attend to the most pressing task of the moment, namely, to combat smuggling, graft, bribery, and other economic crimes, and to curb violations of law in the economic sphere. In adopting special policies and flexible measures, we are stressing the need for flexible policies at home and for an open-door policy in dealing with foreigners. However, we must also stress the need for integrity, public spirit, and strict obedience to the law, and we cannot tolerate any special rights or privileges. Our economic sphere is now rife with smuggling, graft, bribery, misappropriation of state property in huge amounts, and other acts that are in violation of the law; even some cadres in leading positions have participated in these illegal activities. In some localities and units, such unhealthy tendencies

as giving lavish dinner parties and presents, trying to establish underhand connections, backdoor dealings, extravagance and waste, jeopardizing the public interest in order to fatten private purses, and so forth are quite prevalent. We must fully realize that combating smuggling, graft and bribery, resisting the corrosive influence of bourgeois ideas, and rectifying unhealthy tendencies are all important matters with a close bearing on many major issues, such as whether or not we can uphold the four basic principles; whether or not the people's government can preserve its integrity and maintain its close relations with the masses; whether or not we can continue our work in triumph; and whether or not this province can smoothly carry out the special policies and flexible measures in order to administer the special economic zones well. In short, it is a question of success or failure for Guangdong in striving for the four modernizations. In view of the cardinal principles involved, governments at all levels and all cadres must take a clearcut and firm stand. They cannot remain indifferent, and far less can they shield or connive in these offenses.

In order to check these violations of law in the economic sphere, we must deal our main blows at smuggling, graft, bribery and other economic crimes. All important and serious cases that may produce harmful effects must be thoroughly tried one by one. Regardless of what department or cadre may be involved, every clue must be traced to its very source in order that every shred of evidence will be brought to light. The higher the rank of the cadre involved and larger the unit to which he belongs, the more severe will be his punishment. Some closed cases even have to be publicized in the press. The trial of some typical cases will serve the purpose of educating the broad masses of cadres and people. Such education must be given wide publicity so that the whole society will form the idea that it is an honor to be honest in the performance of official duty, and a disgrace to smuggle or take bribes. This publicity will lead to an improvement of the whole social atmosphere.

In rectifying the unhealthy tendencies in the economic sphere, we should, after all, use education as the principal method. Through study, education, criticism and self-criticism, people should become more enlightened and be able to distinguish right from wrong. They will then willingly combat all forms of unhealthy tendencies. "Tell the truth; don't save face." In serious cases, particularly cases of willful offenses, and in dealing with those who have failed to turn over a new leaf even after repeated education, severe punishment must be meted out. The leadership at various levels must not be irresolute and hesitant; no criminality is to be tolerated. In dealing with smuggling, corruption, bribery, or infringement on state or collective property, we must insist on economic restitution or confiscation according to law, and impose fines. We can never permit the offenders who try to benefit themselves at public expense to make any economic gain. Government personnel at all levels, particularly the economic personnel, must keep a sober mind and be highly vigilant against the corrosive effects of decadent bourgeois ideas. They must be honest in the performance of their official duties and remain impeccable. We are in favor of expanding our economic and trade relations with foreigners, and we welcome legitimate trade and cooperation. As for the very small number of people who are carrying out smuggling, bribery, speculation, and profiteering in the name of trade, and thus are violating the law, we should likewise punish them according to the law.

Governments at all levels should perfect their systems, rules, and regulations in order to close loopholes that may lead to unhealthy tendencies. They should strengthen their economic administration and economic legislation, set up economic laws that are practical and can be simply referred to, and establish and perfect various systems. They should also form and perfect an organ for the inspection of economic discipline for foreigners, step up discipline education and discipline inspection, and deal strictly with cases of violations of the law that involve foreigners. To supervise the activities of cadres, the provincial people's government has decided to form a supervisory department, with corresponding supervisory organs at various levels. All relevant departments, including the public security, the procuratorate, the judiciary, the industrial and commercial administration, customs, and the taxation departments should also cooperate closely in dealing timely and effective blows at all economic criminal activities and in upholding normal economic order.

We must consolidate the social order in order to bring about a decisive improvement. Governments at all levels must consider the preservation of social order as their important task. They must resolutely crack down on the subversive activities of special agents, counterrevolutionaries, and other criminals. The small number of active criminals in cases of homicide, robbery, rape, and criminally caused explosion and arson which seriously disrupt social order should be heavily and swiftly punished according to the law. The forces on all fronts, in all departments, and from all quarters should be organized, and various measures--ideological, political, economic, administrative, and legal--should be employed in various forms to enforce the principle of "comprehensive control." We should conduct education in the socialist legal system among the people so as to enhance their law-abiding concept. In stepping up education among young people, we should pay particular attention to the education, redemption, and persuasion of misguided youths, in order to transform them into useful assets in socialist construction. We should also further consolidate the internal order of some units and set up the system of responsibility for security so as to reduce the number of cases and accidents. In the countryside, we should mobilize the masses to set up "village regulations and people's pledges" for the joint preservation of social order. In some urban and rural areas of the province, the practice of mercenary marriages, feudal superstition, and organized gambling are now prevalent. They should be quickly corrected through more active control.

We should further strengthen army-government and army-people unity. The PLA is the pillar of the dictatorship of the proletariat. All our victories in the past were the result of the united struggles of the army and the people. In the current year, we should develop the fine tradition of "the army cherishes the people and the people support the army," so that the army and the people will be as closely united as they were during the war years. The governments at all levels and people of all nationalities should warmly cherish the soldiers, who are the people's sons and brothers, and give them every support in their military and political training, national defense construction, and various other tasks. We must guarantee the supply of vegetables and nonstaple food to the army units, help them find work for their dependents, including their sons and daughters, welcome the cadres who have left the army and returned to civilian life, do our best to give preferential treatment to the dependents of soldiers and martyrs

and to disabled soldiers as well as in the placement of demobilized soldiers, and help promote the modernization and regular organization of the army units. We should also consolidate the militia organization and strengthen militia building. With the army and the people joining hands, we will be able to win even greater victory in both material and cultural development.

We should continue to implement various policies, and consolidate and expand the patriotic united front. We should also strengthen the unity of various parties and groups, nonparty democratic personages, and patriots from various quarters; strengthen the unity of various nationalities; implement the minority nationality policies; and respect the regional autonomy of minority nationalities. We should further strengthen our overseas work, implement our overseas policies--united with the broad masses of overseas compatriots, the Hong Kong and Macao compatriots, and the Taiwan compatriots--and strive to enlist their support for socialist construction in the province. We once again express a welcome to our Taiwan compatriots, including the party, government, and army leaders of Taiwan, to come to Guangdong to visit their native villages, relatives, or friends, or for sightseeing. We welcome our Taiwan compatriots coming to settle in Guangdong. We welcome industrial and commercial personages in Taiwan to come to Guangdong to invest in various economic undertakings. If Taiwan's fishing boats should come to Guangdong for typhoon shelter, repairs, purchases, or medical treatment, we will provide every facility and guarantee their freedom to come and go. We hope the broad masses of Taiwan compatriots will display their patriotism and contribute to the return of Taiwan to the motherland and to the great cause of the unification of the motherland.

Fellow Deputies:

Premier Zhao Ziyang pointed out: The existing bureaucratic tendencies in our political life and economic administration are an important obstacle to the realization of our modernization program. The State Council will adopt resolute measures of restructuring. At present, there also exists in this province a situation of overlapping and overstaffed administrations, with their multitiered departments crammed full of superfluous personnel and deputy and nominal chiefs who engage in endless haggling and shifting of responsibility. We will resolutely follow the unified nationwide arrangement in carrying out our restructuring. The direction of the restructuring is to reduce and merge some organs and to cut down the number of levels. We will reduce the personnel at the upper levels and consolidate the basic levels, and then gradually separate government administration from enterprise management. By restructuring, we will have "better troops and simpler government" and will resolutely abolish the old bureaucratic rules and practices. We will clearly define the function of the government at various levels and the duties of the workers, perfect the responsibility system, and set up a sound system of evaluating the performance of government workers and the system of rewards and punishment. In the course of simplifying our structure, we will reshuffle our leading cadres in a planned way, carefully arrange for some old cadres to retire, and promote the fine young and middle-aged cadres to leading positions at various levels, so that gradually the ranks of our leading functionaries at various levels will become revolutionized, better educated, professionally more competent, and younger. Government organs at all levels should



intensify their investigations and study, in the light of the restructuring, and change the style of their leadership. The leading cadres at various levels should maintain close contacts with the masses, be aware of their hardship and their needs, and strive to restore and carry forward the fine tradition of sharing every weal and woe with the masses as they did during the revolutionary war. We must resolutely correct the bureaucratic style of shirking responsibility, taking a dilatory attitude toward work, and piling up redtape without solving actual problems, and we must transform all levels of government into strong, united, clean, and highly efficient political power organs of the people.

Fellow Deputies:

For this province, 1982 will be the year to achieve better economic results and a high rate of economic growth. It is also the year for us to combat unhealthy tendencies and to bring about decisive improvements in the workstyle of cadres, in the social atmosphere, and in social order. The task is arduous, but the future is bright. In close unity and under the leadership of the CCP, let us hold high the banner of Marxism-Leninism-Mao Zedong Thought and struggle hard to accelerate the modernization of our province!

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CSO: 4006/366



## ECONOMIC PLANNING

### BRIEFS

TAIWAN ECONOMY STUDIED--Beijing, 27 Apr (ZHONGGUO XINWEN SHE)--The seminar on the development of Fujian and Taiwan economies opened at Xiamen University on 26 April. The seminar is being held at the suggestion of Xiang Nan, first secretary of the Fujian provincial CCP Committee and chairman of the standing committee of the Provincial People's Congress. Professor Chen Bisheng, director of the Taiwan Institute at Xiamen University pointed out in his opening address that the purpose of this seminar is to make a comparative study in the economic development of Fujian and Taiwan, and to explore the characteristics and problems in the economic development of Taiwan which Fujian can refer to as learning material in its own economic construction. Nearly a hundred economists and representatives from academic units throughout the country are attending the seminar. The seminar will last for 7 days. There are more than 50 theses presented for discussion so far. [HK280430 Beijing ZHONGGUO XINWEN SHE in Chinese 1308 GMT 27 Apr 82]

CSO: 4006/428

## AGGREGATE ECONOMIC DATA

### 'TONGJI' PUBLISHES DATA ON DAILY ECONOMIC ACTIVITIES

Beijing TONGJI [STATISTICS] in Chinese No 1, 17 Feb 82 p 44

[Article by Guo Zonghe [6753 1350 0736]: "Highlights of Daily National Economic Activities in 1980"]

#### [Text] Daily National Output

Total industrial-agricultural output value	1.9 billion yuan
Total agricultural output value	580 million yuan
Total industrial output value	1.35 billion yuan
National income	1 billion yuan
Financial receipts	290 million yuan
Standard energy	1.57 million tons
Coal	1.7 million tons
Power generation	800 kWh
Crude oil	290,000 tons
Steel	100,000 tons

#### Total Daily Consumption

Residents' consumption	600 million yuan
Per capita consumption	0.60 yuan
Grain	1.2 billion jin
Pork	60 million jin
Plant oil	12.38 million jin
Sugar	10,000 tons
Cloth	27 million meters
Retail sales: Bicycles	32,000
Sewing machines	18,000
Wrist watches	69,000
TV sets	10,000

#### Daily National Service

Passengers carried by various types of transport	9.36 million
including railway passengers	2.5 million
Floor area of workers' dormitories	230,000 square meters

Books published	12.58 million copies
Magazines published	3.08 million copies
Newspapers published	38.47 million copies
Letters mailed	9.08 million
Telegrams sent	400,000

#### Daily Changes in National Population

Births	48,000 (33 per minute)
Deaths	16,000 (11 per minute)

#### Marriage and Employment Each Day

Marriages	20,000 couples
Divorces	494 couples
People newly employed in cities and towns	25,000 persons

#### Daily Economic Activities in Cities

Total industrial output value	1 billion yuan
Retail sales of consumer goods	200 million yuan
Grain supplied	130 million jin
Vegetables supplied	76.33 million jin
Pork supplied	13 million jin
Fresh eggs supplied	2.12 million jin
Tap water consumption	9.29 million tons
Liquid gas for daily use	8 million tons
Gas for daily use	2.9 million cubic meters
Passengers by buses or trolleys	49.34 million persons
Movie viewers	15.5 million persons
Sewage discharged	53.45 tons
Including domestic sewage	10.38 tons
Sewage disposal	700,000 tons
Trash disposal	86,000 tons
Manure disposal	45,000 tons

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CSO: 4006/347

# AGGREGATE ECONOMIC DATA

## 'TONJI' PUBLISHES NATIONAL ECONOMIC STATISTICAL DATA

Beijing TONGJI [STATISTICS] in Chinese No 1, 17 Feb 82 pp 45-49

[Article: "National Economic Statistical Data"]

[Text] 1. Industry and transportation: Industrial and transport production in 1981;

2. Capital construction: Capital construction projects completed from January to November, 1981 (units owned by the whole people);

3. Domestic trade: Supply of commodities for the urban and rural markets from January to November 1981; and commodity procurement by commercial units owned by the whole people from January to November 1981.

### Industrial and Transport Production

	Unit	Quantity		Percentage	
		1981	Dec 1981	1981 against 1980	Dec 1981 against Dec 1980
1. Total Industrial Output	100 mil-lion yuan	5,190.4	477.1	104.0	115.7
Light Industry	"	2,662.0	255.2	113.6	134.3
Heavy Industry	"	2,528.4	221.9	95.5	99.9
2. Main Output					
Bicycles	10,000	1,745.0	186.3	134.0	167.2
Sewing machines	10,000	1,019.8	113.9	132.8	171.8
Watches	10,000	2,882.1	270.5	127.1	145.2
TV sets	10,000	484.2	55.7	194.3	284.2
Radios	10,000	3,951.5	259.4	131.6	105.1
Cameras	10,000	59.6	6.4	160.0	211.9
Household laundry machines	10,000	125.7	19.7	512.2	780.2
Chemical fiber	10,000 tons	52.4	4.8	116.3	129.2
Yarn	"	316.7	27.9	108.2	112.0

	Unit	Quantity		Percentage	
		1981	Dec 1981	1981	Dec 1981
				against 1980	against Dec 1980
Cloth	100 million meters	140.0	12.4	103.9	108.2
Sugar	10,000 tons	307.9	70.4	119.8	-
Salt	"	1,815.3	62.7	105.1	55.0
Cigarettes	10,000 cases	1,678.1	152.9	110.4	148.3
Machine-made paper and paperboard	10,000 tons	524.2	43.7	98.1	99.8
Coal	100 million tons	6.17	0.58	99.4	116.7
Crude oil	10,000 tons	10,117.9	866.6	95.5	96.0
Electricity	100 million kWh	3,066.7	276.8	102.0	109.5
Including hydro-power	"	643.6	51.3	110.6	88.4
Steel	10,000 tons	3,558.0	282.8	95.9	92.3
Pig iron	"	3,418.5	280.8	89.9	84.7
Rolled steel	"	2,666.8	220.8	98.2	98.1
Coke (machine-made)	"	3,176.6	272.6	93.3	94.0
Sulphuric acid	"	776.3	67.9	101.6	109.0
Soda Ash	"	165.4	13.3	102.6	96.0
Caustic soda	"	191.5	16.4	99.6	99.2
Chemical fertilizers	"	1,249.1	106.0	101.4	100.2
Chemical pharmaceuticals	"	3.8	0.3	93.6	88.5
Insecticides	"	50.7	3.6	94.5	77.8
Plastics	"	90.9	8.1	101.2	102.5
Timber*	10,000 cubic meters	2,081	240	95.6	96.8
Cement	10,000 tons	8,330.0	745.2	104.3	109.0
Plate glass	10,000 standard cases	2,992.5	291.2	108.0	140.1
Mining equipment	10,000 tons	10.1	1.0	61.9	95.3
Metal cutters	10,000	10.03	0.81	74.8	78.1
Motor vehicles	10,000	17.51	1.34	78.9	71.1
Tractors	10,000	5.29	0.20	54.1	25.8

\*Figures for Northeast and Nei Monggol forest areas only.

	<u>Unit</u>	<u>Quantity</u>		<u>Percentage</u>	
		<u>1981</u>	<u>Dec 1981</u>	<u>1981 against 1980</u>	<u>Dec 1981 against Dec 1980</u>
Locomotives	Unit	398	30	67.1	93.8
3. Transport					
Railway transport	100 million tons	10.48	0.89	96.5	103.5
Water transport by ships directly under the Ministry of Communications	"	1.41	0.12	98.6	100.0

(Note: Figures for 1981 are based on an initial statistics.)

Completion of Capital Construction Projects  
(For Units Owned by the Whole People)

	<u>Unit</u>	<u>Quantity</u>	<u>Percentage</u>
		<u>Jan-Nov 1981</u>	<u>Jan-Nov 1981 against Jan-Nov 1980</u>
1. Total capital construction investment	100 million yuan	314.5	83.7
Including:			
1. State investment	"	164.3	72.2
2. Self-raised funds	"	95.5	93.1
Total investment includes:			
Productive projects	"	191.1	73.3
Nonproductive projects	"	123.4	107.3
Including:			
Housing	"	79.8	110.4
2. Total floorspace of housing structures			
Total construction area	10,000 sq meters	19,326.8	91.3
Including residential buildings	"	11,552.7	102.7
Area of completed buildings	"	6,423.6	99.4
Including residential buildings	"	4,106.7	102.5



	<u>Unit</u>	<u>Quantity</u>	<u>Percentage</u>
		<u>Jan-Nov 1981</u>	<u>Jan-Nov 1981</u> against <u>Jan-Nov 1980</u>
3. Large and medium-sized projects and single-item projects completed and put to use			
Large and medium-size projects	Unit	21	80.8
Single-item projects	"	42	107.7

Supply of Commodities for the Urban and Rural Markets

	<u>Unit</u>	<u>Quantity</u>		<u>Percentage</u>	
		<u>Jan-Nov 1981</u>	<u>Nov 1981</u>	<u>Jan-Nov 1981</u> against <u>Jan-Nov 1980</u>	<u>November 1981</u> against <u>November 1980</u>
Retail sales	100 million yuan	2,033.4	194.2	108.5	110.8
Consumer goods retail sales	"	1,706.6	173.1	110.1	112.4
Sales of main commodities					
Hogs	10,000 head	10,600.0	1,017	88.8	93.0
Fresh eggs	10,000 jin	92,656.5	4,288	89.4	89.3
Maritime products	10,000 tons	137.1	12.1	92.4	82.9
Salt	10,000 tons	788.5	86.0	98.2	92.0
Sugar	"	320.3	26.2	103.7	104.0
Cigarettes	10,000 cases	1,466.2	133.1	109.8	100.5
Liquor	10,000 tons	289.9	27.6	105.3	111.3
Cotton cloth	100 million meters	63.8	6.2	98.3	108.8
Mixed cotton-chemical fiber fabrics	100 million meters	20.2	1.8	121.7	115.0
Chemical fiber fabrics	"	6.7	0.5		

	Unit	Quantity		Percentage	
		Jan-Nov 1981	Nov 1981	Jan-Nov	November
				1981	1981
				against Jan-Nov 1980	against November 1980
Wool fabrics	10,000 meters	12,966.0	1,431.0	118.5	124.8
Silk	"	32,827.0	3,138.0	99.7	88.9
Matches	10,000	2,057.0	194.1	111.8	106.7
Soap	10,000 cases	3,503.5	319.9	109.9	123.3
Laundry powder	10,000 tons	32.7	2.7	118.9	122.7
Vacuum flasks	10,000	8,283.6	842.0	106.6	107.9
Sewing machines	10,000	656.6	71.3	125.5	152.0
Wrist watches	10,000	1,953.0	155.9	113.0	102.9
Bicycles	10,000	1,105.2	107.0	115.5	122.7
Transistor radios	10,000	1,805.5	159.3	90.8	69.9
TV sets	10,000	319.2	29.1	154.7	164.4

Note: Total retail sales here do not include the direct sales from peasants to the nonagricultural population. The sales figures of main commodities are only for enterprises owned by the whole people.

Procurement by Commercial Units Owned by  
the Whole People

	Unit	Quantity		Percentage	
		Jan-Nov 1981	Nov 1981	Jan-Nov	November
				1981	1981
				against Jan-Nov 1980	against November 1980
Total domestic procurement	100 mil- lion yuan	2,166.2	263.0	108.0	111.5
Main commodities procured					
Hogs	10,000 head	10,917.0	1,367.0	93.8	101.5
Fresh eggs	10,000 jin	137,275.0	3,003.0	93.8	79.3
Maritime products	10,000 tons	153.7	19.4	87.1	86.6
Salt	"	832.3	91.7	102.9	104.9
Sugar	"	202.7	18.6	118.0	144.2
Cigarettes	10,000 cases	1,422.7	147.3	117.1	132.8

	Unit	Quantity		Percentage	
		Jan-Nov 1981	Nov 1981	Jan-Nov	November
				1981	1981
				against Jan-Nov 1980	against November 1980
Liquor	10,000 tons	286.0	28.1	122.1	148.7
Cotton cloth	100 mil- lion meters	73.3	6.8	114.2	125.9
Mixed cotton-chemical fiber fabrics	100 mil- lion meters	29.9	2.8	148.9	152.0
Chemical fiber fabrics	"	10.9	1.0		
Wool fabrics	10,000 meters	6,772.0	659.9	111.3	111.9
Silk	"	27,524.0	2,135.0	87.8	80.4
Matches	10,000	1,887.9	178.2	113.8	124.9
Soap	10,000 cases	3,712.4	345.7	112.4	127.6
Laundry powder	10,000 tons	36.1	3.3	137.3	173.7
Vacuum flasks	10,000	10,343.4	1,060.0	116.2	147.6
Sewing machines	10,000	705.6	76.9	143.9	180.9
Wrist watches	10,000	1,715.0	173.5	120.9	133.3
Bicycles	10,000	1,231.5	128.4	136.2	161.5
Transistor radios	10,000	2,503.1	183.1	134.6	95.2
TV sets	10,000	170.3	19.9	150.7	193.2

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NEED FOR STATISTICS IN REORGANIZING ENTERPRISES STRESSED

Beijing TONGJI [STATISTICS] in Chinese No 1, 17 Feb 82 pp 38-39

[Article by Guangzhou Municipal Statistics Bureau: "Combine the Reorganization of Enterprise Management with the Reorganization of Statistical Work"]

[Text] To reorganize the basic-level statistical work comprehensively and systematically in accordance with the State Council's "Resolutions Concerning Strengthening Statistical Work and Staffing Statistics Organs" issued in October 1979, together with the municipal planning commission and the municipal economic commission we jointly formulated the "Plans for Strengthening Basic-level Statistical Work," calling on all enterprises to combine the reorganization of their management with that of their statistical work. In April 1981, a notice was issued in the name of the "two commissions and one bureau" concerning a mass inspection of the implementation of the "plans."

According to the results of the implementation as we have observed, the reorganization of statistical work this time was a relatively great success, as shown by the following:

1. The mass reorganization and mass inspection were in fact a process of publicity and education in the importance of statistics. During the reorganization and inspection, we carefully studied the State Council documents and the relevant RENMIN RIBAO editorials along with our municipal documents. The study enabled us to understand the importance of statistics in the four modernizations drive, and the necessity for reorganizing the statistical work. Some enterprise leader said seriously: "In the past, statistics did not receive due attention mainly because we, as leaders, lacked the concept of scientific management. Since all people were 'eating from the same pot,' the regard or disregard for statistics made no difference. Now the situation is different. We have to strengthen our enterprise management and our economic accounting in order to assess the economic results and to adopt the system of responsibility for production. Without statistics and economic analysis, it will be very hard to get good results." That is why many enterprises are now planning to reorganize their statistical work along with the reorganization of their management. After studying the documents, the broad masses of statistics personnel gained a better understanding of the reorganization, and many of them were enthusiastic in their work and eager to show their good performance at the time of inspection by the higher authorities.

Some units carried out their own inspection according to the "plans," and realized that there were "four not's" in their statistical work, namely, "not enough detail" in reflecting the economic and technical indexes of the plant's economic activities; "not flexible," mainly because of poor statistical analysis, which therefore cannot effectively play the role of "adviser" of "assistant"; "not specialized" because, first, the statistics personnel had to do many other jobs and, second, they lacked specialized knowledge; and "not complete" mainly because of the weaknesses in the system of keeping firsthand records and in the statistics system itself. After the reorganization carried out in light of these problems, the work is now much improved and has shown good results.

II. To strengthen the work organizationally and vocationally, an overall statistics organ has been established and adequately staffed. The majority of bureaus in charge (company) in the industrial-communications sector have established their own planning statistics sections, and approximately 80 percent of the plants now have all-round professional statisticians (although some of those who are in small factories also engage in production). Most plants have established a three-level statistics network, while special persons have been assigned exclusively or concurrently to the jobs of statistics and recording in the workshops, work teams or groups. After the personnel disposition, the management at all levels turned its attention to the professional training of statistics cadres, and the technical level of the statistics personnel has generally been raised.

III. Besides setting up and perfecting a system of firsthand records, statistics records and statistics report forms that are compatible with the actual conditions, the plants also set up the following statistics systems:

1. The system of statistical work, including the scope of activities of the overall statistics departments and various business departments; the exchange and transfer of tasks and material supplies; and the system of management.

2. The job responsibility system, clearly defining the duties of statisticians at the plants, workshops (and work teams and groups, too, in some plants) and their requirements.

3. The system of statistics report forms and the control of figures. Under this system, all developments will have their own share of responsibility. Besides the production reports and the figures, the overall statistics department of the plant will also be responsible for the unified control and supply of reports and figures to other units.

4. The system of economic accounting and analysis of economic activities. The majority of plants are practicing the three-level (the plant, the workshops and the work teams and groups) system of accounting. The analysis of economic activities is generally conducted at the plant level once a month, while the workshops and work teams and groups conduct theirs every 10 days or every month.

5. The system of assessment of statistical work. This job has been fairly effectively carried out by the chemical-industrial, the metallurgical, the

light industrial, the textile industrial and the pharmaceutical trades. A common characteristic among them is the effort to arouse the enthusiasm of the statisticians through commendations or rewards (for units as well as individuals) as a regular practice.

6. The system of statistics data control and the filing system. The enterprise's overall statistics department generally keeps the files by years under a centralized system so as to be sure that no data will be misplaced.

IV. The statistics departments and their personnel had the courage to uphold principle, to seek truth from facts and to truthfully report on the conditions, in playing their statistical and supervisory role. For example, a leading person of a plant once wanted to include some products which had not been verified in the total output value, but the plant statisticians, standing firm on principle, told him that this could not be done. Thus the authenticity of the statistics figures was preserved. Some statistics workers also discovered that the figures in the statistics forms did not correspond to the progress of a project. They then visited the workshops to ascertain the cause of discrepancy and corrected the mistakes. In the course of their inspection, they also discovered that some enterprises had either advanced or postponed the deadline of their reports; that some enterprises always "withheld something" when transferring products into the warehouses; and that some enterprises exaggerated their output value by including the processed products as entirely their own products. All these irregularities were corrected during the inspections.

The basic methods used in this reorganization of statistical work, from which we have learned something, are as follows:

1. Personal attendance of the leadership. The majority of units combined the reorganization of statistical work with the reorganization of enterprise management in all such matters as mobilization, reorganization, inspection and delivery checks. This method has produced fairly good results. As proved in practice, the merits of this method are as follows:

(1) The leadership was strengthened under unified planning. The leading groups in charge of reorganization of the enterprises attended to both the management of the enterprise and the statistical work, or treated statistics as the basic work of scientific enterprise management.

(2) It was possible to conduct carefully planned investigations and study, and to raise suggestions for reorganization to be carried out in conjunction with the reorganization of enterprise management.

(3) The requirements of reorganization may vary according to different conditions on the foundation of the enterprise's statistical work.

2. Mass inspection. Purposeful reorganization was carried out on the basis of uncovering contradictions. The inspection mainly consisted of self-inspection by the enterprises, supplemented by mutual inspections with the cooperation of mutual-aid teams (or basic-level units organized by the



company as a unit), and spot checks by the bureaus in charge (in prefectures or counties). The mutual-aid teams played a very useful role in the inspection. When they arrived at a plant, they would first report to the plant leadership all about the conditions of the self-inspection in the plant, according to the requirements of reorganization. (At the time of reporting, the leading personnel and the responsible persons of the departments concerned were all present.) Then they proceeded to check on the quality of statistical work, including the accuracy of figures, the sources of data and the methods of calculation (such as whether these methods conformed to regulations and whether the figures could be compared on a common basis), the keeping of firsthand records and statistics records, the progress of statistical analysis and so forth. After hearing, seeing, checking, discussing and commenting, the mutual-aid teams finally summed up the work along with their evaluation before the plant leadership. They affirmed the achievements, pointed out the problems and suggested measures for improvement. By this means, they helped promote the reform of statistical work and acquired more knowledge from the exchange of views.

Spot checks were carried out on the basis of mutual inspections. The industrial bureaus generally organized the statistics personnel of various companies and mutual-aid team leaders for this task. The units to be checked were typical enterprises at various levels, and the methods used were basically the same as those used in mutual inspections. The inspections from below upward helped strengthen the foundation of statistics in the municipality, and improved the quality of the statistics figures.

3. Setting good examples, inviting inspections and exchanging experiences. For example, the basic work of statistics in the Guangzhou Boiler Plant was fairly solid, meticulous and comprehensive, and we have many times introduced its experiences to others. The Zhujiang Power and Chemical Plant and the Nanzhong Plastic Plant did their jobs well during the reorganization, so the municipal chemical-industrial bureau held on-the-spot meetings at these two plants, and these meetings produced fairly good effects on the other units. Since working out the system of job responsibility for the statistics personnel in 1979, the municipal timber industrial company has twice revised the system, and by now all the statistics personnel in the plant are familiar with their own duties and the way to fulfill them, thus insuring the smooth progress of various statistical tasks. We have also popularized their methods and experiences and, through these activities, effectively promoted the reorganization of statistical work in various enterprises.

4. Simultaneous reorganization and construction. The purpose of reorganization is to improve the quality of work, while the role of inspection is to insure that the purpose of reorganization can be accomplished. Therefore, all the units are now able to strengthen the weak links in their work and to advance to their goals of reorganization, construction and improvement at the same time.

We have achieved initial success in this mass reorganization and mass inspection, but the development among various enterprises is not even, and there are certain problems with the manner of implementation after the

systems are set up. We should hereafter continue to attend to this work. We should pay attention mainly to both ends: at one end, we should sum up and popularize the experiences of the good enterprises; and at the other end, we should help the backward ones to catch up with the others. We are planning to conduct mass checking in early 1982 so as to further consolidate and improve the work of statistics in the basic-level enterprises, and to help statistics play an even-greater role in the four modernizations.

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## ECONOMIC MANAGEMENT

### LIAONING HOLDS FORUM ON GENERAL, MAJOR CASES

SK270655 Shenyang Liaoning Provincial Service in Mandarin 1100 GMT 26 Apr 82

[Text] According to our reporters, at a provincial forum on general and major cases, Comrade Xu Shaofu, secretary of the provincial CCP committee, said: The struggle to deal blows at serious criminal activities in the economic field should be focused on major and current cases and cases involving the state's organs, enterprises and establishments.

Comrade Xu Shaofu said: The struggle to deal blows at serious criminal activities in the economic field is good as a whole. However, the development of the struggle is uneven, and its main points are not obvious. Some units and leading comrades lack an adequate understanding of the nature, significance, urgency and necessity of the struggle and are not mentally prepared for a protracted war. Therefore, solving leading bodies' problems in understanding is a key to carrying out the struggle in depth. Leaders at all levels should overcome the fear of offending people, implicating innocent persons, cutting off financial resources and hindering the revitalization of the economy, and the fear of the difficulties in handling cases, collecting evidence and implementing policies. They should have a profound understanding of the seriousness and harmfulness of the criminal activities in the economic field and the necessity and urgency of the anticorruption struggle.

Comrade Xu Shaofu said: The struggle to deal blows at serious criminal activities in the economic field should be focused on major and current cases and cases involving the state's organs, enterprises and establishments. The seriousness of a case should not be based on the amount of illicit income. It is necessary to take a firm hold of serious cases involving leading cadres and large amounts of illicit money and to seriously investigate and handle them. It is imperative to classify in the order of importance and urgency cases already exposed, make sure which cases should be handled soon and strive to publicly handle a number of cases in May.

In his speech, Comrade Xu Shaofu set forth four requirements for strengthening the leadership over the struggle.

First, leaders at all levels should all consider the wage of the struggle as a central task. Discipline inspection commissions of all party committees should spare no effort. Public security organs, procuratorial organs and

people's courts should actively cooperate with and play well the roles as advisory and administrative bodies of party committees.

Second, the struggle should be carried out in accordance with the scope and arrangements made by the CCP Central Committee. It should not be escalated level by level or distorted.

Third, efforts should be made to correctly implement policies, strictly differentiate the two contradictions of different natures and draw a clear distinction between mistakes in work and law violations and offenses, between unhealthy workstyles in the economic field and economic crimes, between smuggling, selling smuggled goods, embezzlement, accepting bribes, speculation and swindling and problems caused by imperfect systems and measures in implementing the policy of opening to the outside world and revitalizing the domestic economy. Slogans and demands should not be wantonly shouted and made.

Fourth, it is necessary to integrate efforts to deal blows at serious criminal activities in the economic field with efforts to rectify the party and strengthen the work style and overcome the idea of exclusively handling the cases. It is necessary to investigate economic problems but also problems concerning the party's discipline and work style and management system. It is imperative to strengthen education among party members by enhancing the party's discipline, intensifying the party's organizational life, discussing exemplary cases, conducting criticism and self-criticism and ensure that every party member enhances the party spirit and improves the ability to resist corruption.

The provincial forum on general and major cases began on 29 April and lasted for 5 days. At the forum, leaders concerned at municipal and prefectural levels reported the progress their own units and localities made early in dealing blows at serious criminal activities in the economic field and made a list of new provincial-level general and major cases.

CSO: 4006/427

## ECONOMIC MANAGEMENT

### PROPER IMPLEMENTATION OF ECONOMIC RESPONSIBILITY SYSTEM

Beijing CAIMAO JINGJI in Chinese No 2, 10 Feb 82 pp 30-34

[Article by Sun Xuewen [1327 1331 2429], Office for Organizational Reform, State Council: "We Must Properly Implement the Economic Responsibility System"]

[Text] In 1981 our nation's industrial, communications, finance, and trade fronts followed the experience on the agricultural front, and vigorously implemented the economic responsibility system. To implement the responsibility system in all trades and professions by integrating responsibility, authority, and profit has an important significance in solving the "eating from the same big pot" problem, overcoming equalitarianism, bringing out the initiative of the enterprises and the workers and staff members, improving operational management, and improving economic results. The direction is correct. However, there is an incomplete understanding of the economic responsibility system, and the guiding ideology is not sufficiently correct. Moreover, we started with distribution and worked on the system of responsibility for one's own profits or losses and the piece rate wage system. In addition, the systems used did not include all the factors, and methods used were not adequate. For these reasons, new problems and new contradictions were inevitable in the process of implementation. We can place the economic responsibility system on the track of healthy development and bring its proper effect into full play only if we have a correct understanding of the system and implement it step by step with planning.

#### Correct Guiding Ideology; Unify Ideological Understanding

As indicated in the preceding paragraph, understanding is not unified and views are not uniform on what economic responsibility system the industrial communications, finance, and trade fronts should implement, what the meaning of the economic responsibility system is, what it should include, and what the goals and the significance of implementing the economic responsibility system are. Some believe that the economic responsibility system is the same as the "contract" system or the "piece rate" system. Some sum up the currently existing forms of distribution as several different forms of the economic responsibility system. They even treat the "profit changed to tax" and "autonomy-extended" enterprises, and their methods of retaining profits as a form of contract, saying that "contract results in effectiveness,

contract results in liveliness, contract results in change," as if the contract methods are the "magic pills and miracle drugs" for curing a hundred illnesses. Others believe that "only the piece rate wage system can overcome equalitarianism and 'eating from the same big pot,' and ask that it be completely implemented in all trades and all enterprises." All these views are worth discussing.

In its original meaning, the economic responsibility system is a system of clearly prescribed individual responsibilities between the state and an enterprise, between one enterprise and another, between individual links within an enterprise, as well as the responsibilities of individual workers in their productive activities. For the responsibility system in the socialist economic management, the key point is that the economic responsibilities of an enterprise to the state should be clearly prescribed for the responsible department, the enterprise itself, shops, teams and groups, and workers and staff members. From the standpoint of the enterprise, the important thing is to establish and strengthen the responsibility system for the factory director (manager), the special responsibility system for production, technology, and operational management, and the responsibility system for the individual workers in their posts. To interpret the economic responsibility system as "contract" or "piece rate" is not correct and is contrary to the original meaning of the system. "Contract" and "piece rate" are only methods of distribution or forms of paying wages. At most, they can only be called the "system of responsibility for one's own profits or losses" which is not the same as the economic responsibility system. It is only an element of the economic responsibility system.

The goals for implementing an economic responsibility system are to strengthen the economic responsibilities of each level and each post, raise their sense of responsibility, mobilize their enthusiasm and initiative, improve operational management, tap potential, eliminate waste and losses, better fulfill the tasks prescribed by the state, satisfy the needs of the people, guarantee the realization of the various economic relations in socialist reproduction, and maximize the social economic results. All economic work will lead to the wrong path if it departs from this final goal of raising the social economic results and if it departs from the requirements of the basic economic laws of socialism. If the implementation of the economic responsibility system is viewed only as "fulfilling the fiscal tasks," if it is thought that entering contracts alone will "fulfill the fiscal tasks," if hard work is not directed to developing production, increasing production and revenue, working out an economic responsibility system at each level, and seriously improving operational management, and if in the end the social and economic results are not improved and production, profits, and labor productivity are not raised, the fiscal tasks will still not be completed. Those approaches which deal with "contract" and "piece rate," and try everything possible to depress the contract base, raise the ratio of the above-quota profit-sharing, depress the piece work quota, and raise the piece work unit price will hurt the state and the people, create new obstacles for reform, and create new difficulties for the national economy. If the state revenue and expenditure are not in balance, if money is in excessive supply, and if purchasing power or society greatly exceeds



the supply of goods, prices will go up and the benefits gained by the enterprises and the workers and staff members will be lost.

The significance of implementing the economic responsibility system should not be seen from the angle of temporary fiscal difficulties and the reduction of the income of the workers and staff members. It must be understood as having a deeper significance. Operational management standards and economic results can be improved only if the economic responsibility system is implemented, economic responsibilities are fulfilled at every level, various basic work in an enterprise is strengthened, various regulations and systems are established and improved, and potentials are fully exploited. From this view point, the implementation of the economic responsibility system is the breakthrough point for enterprise reorganization. It is the capital construction of an enterprise. It has great significance in ending our industrial backwardness. The implementation of the economic responsibility system, integration of economic responsibility and economic benefit, and making different economic contributions to the state depending on the degree to which an enterprise and the workers and staff members carry out their work and responsibilities will undoubtedly correct the maladies of "eating from the same big pot" and equalitarianism that have long existed among enterprises and among workers and staff members. In this manner, the principles of "from each according to his ability to each according to his work" will be truly carried out, and enterprises, workers and staff members will be mobilized to develop production, to improve management and administration, to increase income and reduce expenditures, and to improve technology. If the transformation of the capitalist industry and commerce in the 1960's meant the elimination of private ownership of the means of production and system of exploitation of others, then the reform today is to solve the problems of "eating from the same big pot" and equalitarianism after the establishment of public ownership of the means of production. This is because in actuality "eating from the same big pot" and equalitarianism represent a disguised form of exploitation of those who work more and receive less by those who work less and receive more. It was in this sense that Comrade Chen Yun [7115 7189] said: "The significance of organizational reform is not any less than the transformation of privately operated industry and commerce." The implementation of the economic responsibility system will have a deep impact on every aspect of the national economy. It is not only an important link from the improvement of enterprise management leading all the way to the improvement of the management of our entire national economy but also a major element in the management of our economy by economic methods. Moreover, it is also an important measure for the fundamental improvement of the fiscal economy and a benign cycle in our national economy.

To ensure the healthy development of the economic responsibility system and if it is understood totally and accurately as well as consistently from the higher levels to the grass-roots. This article will first discuss some views on the "contract" problem.

### Adopt a Correct Attitude Towards the System of Responsibility for One's Own Profits or Losses; Solve Existing Problems in the Contract System

Many areas in the country started the system of responsibility for one's own profits or losses last year. According to statistics, among the state-run enterprises above the county level, 35,000 were under the contract system by the end of August, or 65 percent of the total. They included over 6,000 autonomy-extended enterprises, 264 of which practiced the profit-contract system according to profession (bureau or company), and 195 which practiced the contract system on the basis of the jurisdiction of the county economic commission. In terms of regions, nine provinces and municipalities had an 80% level of implementation, including Shandong, Beijing, Tianjin, and Liaoning. Twelve provinces, municipalities, and autonomous regions had an implementation level of less than 80 percent but over 50 percent, including Hebei, Inner Mongolia, and Shanxi. Shandong started the contract system earliest and had the widest implementation. In Jinan, 92 percent of the enterprises were under the contract system. In Yantai Prefecture, they reached 97 percent. There were altogether 1,850 enterprises in Shandong and 1,041 of these, or 88.7 percent, had implemented the "contract" procedures. Existing problems in "contract" are discussed below, based on our investigations in Shandong and other provinces and municipalities.

First, the contract base is too low and the ratio of the above-quota profit-sharing is too high. To practice the contract system, there must be a base figure. Only when a base figure has been established, can the contract system be practiced and the amount of the above-quota profits accurately determined. Currently, in the determination of the contract base figures, there are neither any established principles nor any objective bases. And of course there are no detailed computations and prescribed computation methods. Currently, it is advocated that "enterprises be given a small profit, and the state receive a large profit" and that the enterprises and the management bureaus "have production-quotas to exceed, and profits to gain." Thus, in many cases when the contract base figures are determined, they are based neither on the profit plans transmitted by the state nor on the actual earnings of the year before. Some do not permit any increase from the previous year. As a result, the contract bases are entirely experimental figures, figures determined by back and forth bargainings. That the contract base figures are too low in some regions and enterprises is reflected in the fact that actual production lower than the previous year, figures lower than the plan, and generally 20 to 30 percent over the above-quota profits.

The ratio of the above-quota profit sharing is too high. This is reflected in: (1) The ratios of sharing the above-quota fixed profits were raised by 30 to 50 percent over the ratios for autonomy-extended enterprises. (The ratios for sharing the increased profits for the original autonomy-extended enterprises were at 10%, 20%, and 30% levels. For the ratio of sharing the above-quota fixed profits, the enterprises now receive at least over 40 percent; in some cases, the entire amount goes to the enterprise.) (2) Enterprises retaining the above-quota profits have increased greatly. In 1980, 6,000 autonomy-extended enterprises in the entire country enjoyed the profits of increased profits. In 1981, the number of state-operated

enterprises enjoying the benefits alone increased to 35,000. In Shandong, 58 autonomy-extended enterprises retained the above-quota profits originally. This number has now increased to 1,641, an increase of 27.3 times. (3) In addition to sharing in increases over the base figures and in increased profits, the original autonomy-extended enterprises also share in the above-quota fixed profits, which is much higher than the ratio of the above-quota profit-sharing as compared with the original increased profits. (4) Those enterprises which practice the system of retaining the above-quota profits and the system of extending management autonomy receive enterprise funds, in addition to retaining the above-quota profits, and this means a double take. (5) The percentages retained by the collective enterprises have greatly increased. The departments concerned decided that for the collective enterprises run by the Ministry of Textile Industry and Ministry of Light Industry the expanded portion over 1980 could enjoy the special treatment of having income tax and fixed profit turned over to the state "both reduced to half." Shandong and other provinces applied this regulation to all collective enterprises. After enjoying the "double reduced to half" treatment, income taxes were paid on the remaining portion, and profits after taxes were divided on a "30/70" basis or "40/60" basis. For some of the collective enterprises with large excess profits, it was "the enterprise taking the large share, the state taking the small share" not only for the expanded portion but also for the gross profits.

Second, there is no economic responsibility system which is implemented at all levels. Since attention is focused on "contract" and "piece rate," there is the belief that "once an enterprise practices contract and piece rate it is equivalent to fulfilling the economic responsibility system." There is another belief that "once there is economic profit there is naturally economic responsibility." The result is that after an enterprise institutes contracts and piece rates it is considered in name to have an economic responsibility system. Actually, the economic responsibility system has not been implemented inside the enterprise, for the enterprise itself, and outside the enterprise. Because the economic responsibility system is not implemented at all levels, it is impossible to link economic responsibilities with economic benefits. As a result, the workers and staff members, the enterprise, the management bureau, and the county economic commission all can share economic benefits from "contracts" and "piece rates." However, they do not shoulder any concrete economic responsibilities. It is called the system of responsibility for one's own profits or losses. When there is excess profit, the bureau and the enterprise receive more. When the quota is exceeded, the workers and staff members receive more. However, if there is a shortage or the tasks are not completed, there is no penalty. Actually, it is "only contract for excess and not for shortage, only responsible for one's own profits, not for one's own losses."

Third, when the contract system is based on profit only, the attitude of "all-out effort when high profitability is expected, making no effort when no profits are expected" is bound to appear and the enterprises will engage in dishonest practices. Because "contract" is linked with profit only, other standards reflecting other enterprise operating results are set aside and are not paid attention to. This causes the enterprises to

produce and develop more high priced goods which yield large profits, in order to exceed the quota more, to retain more, and to receive more rewards. There is no desire to produce low priced goods which yield small profits or small commodities, or only small quantities of these goods are produced, despite society's and the people's needs. This creates large overstocks of goods in excessive supply and shortages of goods in short supply. Under a condition of irrational prices and taxes, to only assume responsibility for one's own profits will inevitably create mismatches in production and demand. It will create a situation running counter to the purpose of socialist production. When there is no inspection or supervision, when the enterprise has not been properly reorganized, and when management work cannot keep pace, to only fulfill profit targets will inevitably cause the enterprise to adopt improper methods and unlawful measures to seek profits. Preliminary inspections have shown that losses in tax evasions alone reached over 1 billion yuan.

Fourth, after the implementation of the contract system, a series of new contradictions have emerged. Because the system adopted the procedures of assuming sole responsibilities at every level, it has caused the economic activities of the provinces, prefectures, municipalities, counties, management bureaus, and enterprises to stagnate and become immobilized and it has tended to aggravate regional blockage and enterprise disintegration, and the situation of each doing things in its own way and forming its own systems. Implementation of the contract system will cause all factors affecting the economy to become bargaining chips, whether they are beneficial or not to the enterprise or the management bureau. This, in turn, affects economic readjustment and changes and prevents economic interchange. We are now in a period of great economic changes. The Party Central Committee has announced that during the entire 6th Five-Year Plan period, further readjustment of our economy must be carried out, the "system of wrangling" must be changed, the role of economic leverage must be brought into play and completion of the programs during the 6th Five-Year Plan period and the annual plans must be assured in order to achieve a balance between state revenue and expenditure and secure the basic improvement of our national economy. These are all important strategic decisions and strategic measures. However, contradictions will develop between these requirements and the current contract method. After making a contract, a region, a department, and an enterprise become fixed. As long as the profit item is fulfilled, the task is considered as being fulfilled. Other matters cannot be interfered with and there is no way to interfere. Thus, those that should be closed, suspended, merged, or converted cannot be closed, suspended, merged, or converted. A contradiction thus develops between contract and readjustment. For the same reason, reorganization and merging of enterprises based on the principles of specialized cooperation and economic rationality cannot be smoothly carried out. A contradiction develops between contract and reorganization. Because a contract specifies no changes for one year or three and four years, disputes occur each time prices or tax rates are changed, or when changes in the base figure and percentage share of above-quota profits are demanded. Beneficial changes are often taken away by the enterprise. No one fights for the benefit of the state. When it is not beneficial to the

enterprise, factors lending to reducing income and reducing profits are used [as an excuse] to request the state to take the entire loss. The result is that the enterprise gets the benefits while the state gets the blame for "too many changes in policy" and "breaking its words." A contradiction is developed between contract and reforms in prices and taxes. For the sake of immediate interests, some enterprises after implementing the contract system often sacrifice their long-term interests and do not carry out the necessary technological transformation that is within their capabilities. A contradiction is developed between contract and technological transformation. Based on the requirements of the 6th Five-Year Plan, gross value of industrial output and fixed profits to be turned over to the state must have specific rates of increase each year. This requires that the profit base figures used by the contract units for transmitting fixed profits to the Ministry of Finance must be gradually increased each year. The base figures for profits or losses must be decreased each year, and the principle must be maintained that the state receives more of the portion that exceeds the base figures. The common practice now is that the contract base figures are maintained for many years without change or even lowered each year. The percentages that the enterprises get from the above-quota profits become higher and higher. These are contrary to the requirements of the state plan. If these contract methods are not changed, contradictions will be created between "contract" and the state plan, affecting the balance between state revenue and expenditure during the 6th Five-Year Plan period. It should be further pointed out that originally people believed that with the implementation of contracting at all levels, (an increase in) state revenue would be assured. In reality, we can only say that it reduced the gap in the task of turning over fixed profits to the Ministry of Finance. Looking at Beijing, Tienjin, Shandong, and Liaoning, since they fully implemented the contract system on a level by level basis in 1981, theoretically they should have overfulfilled their fiscal responsibility of turning over fixed profits to the state. However, preliminary estimates show that these four provinces and municipalities are over one billion yuan short. The conclusion is that the contract system cannot guarantee the fulfillment and completion of the fiscal responsibility of turning over fixed profits to the state.

In summary, although there are definite achievements in adopting the contracting methods, there are many problems in the above described methods and they have produced many abuses. As pointed out by Comrade Zhao Ziyang: "From the standpoint of the actual conditions in China today, the use of profit in contracting as the only standard of evaluating an enterprise is not satisfactory and easily produces many abuses. Profit does not necessarily reflect completely the operating levels of enterprises. The contribution of an enterprise with a large profit is not necessarily large. The contribution of the enterprises with small profits is not necessarily small." The departments concerned have already adopted or will be adopting remedial measures for the problems in contracting described above, issuing some regulations which are undoubtedly correct and necessary. However, I believe that there are still a number of problems which are worth further investigation and study. (1) Is it necessary to contract at all levels or to contract for three or four years without change? I believe that to only place responsibility for profits is not inclusive enough. This should be



target to include such indexes as profits, output, quality, variety, and costs. With regard to the responsibilities assumed by the county economic commission and the management bureau, evaluation should also be made of things within their spheres of responsibility, in addition to the various economic indexes, such as the readjustment, restructuring, and reorganization of enterprises, technological transformation, training of staff and workers, and other work. To only fulfill profit targets and fail to do other work well is still to neglect one's duty. However, this will produce another problem. An overall evaluation will not be much different from the original evaluation of the eight technical and economic indexes for production enterprises and the inspection conducted in accordance with the duties and responsibilities of the departments. In other words, there would not be much difference between contracting or not contracting. If we still want to implement the contract system, it is worth further studying how to contract and what the relationships between various standards and various kinds of work are. From the point of view of the state's 6th Five-Year Plan, there will probably be differences in annual plans. Especially since the emphasis of various departments and regions with respect to investment, loans, and technical transformation will be different and the annual production plans and fiscal tasks allocated by the state to the regions and the departments will also be different, and since these factors are difficult to predict, contradictions will undoubtedly occur with "contracting for three or four years without change" and the overall completion of the state plan cannot be assured. For these reasons, I have doubts about the system of contracting at all levels and the requirement of no change for three or four years. (2) I have always had a different opinion on the implementation of the contract system for the normal and profitable enterprises. I believe that the "autonomy-extended" and "profit changed to tax" pilot projects are important measures for organizational reform. (These experimental enterprises are the enterprises that operate with large profits.) The goal is to improve the enterprise management system, expand the autonomy of the grass-roots enterprises to make their own decisions, and make them become relatively independent producers or operators. "Contracting at all levels" is only a temporary emergency measure adopted of necessity to adjust the fiscal tasks. It is not any kind of reform "break through." Nationality is it not a breakthrough point but also it has presented a new impetus to reorganization, price and tax adjustments, and the opening up of circulation channels. Some say that "retention of the above-quota profits must add to the profit-contract system." This cannot stand up either in theory or in the actual practice of reform. There are objective bases and methods for measurement and computation for "autonomy-extended" enterprises to use in carrying out the system of retaining the above-quota profits. They are determined on the basis of the degree of difficulty or ease with which an enterprise can increase production and increase income, the size of its contribution to the state, levels of production and living standards, and financial resources of the state. Their ration truly reflects the increased contribution and truly reflects the spirit of "the state shares the bulk of the revenue; enterprises retain the minor portions; and individuals share what is left." That is to say that the "autonomy-extended" and profit-"changed-to-taxes" pilot projects and the method of retaining the above-quota profits are much more reliable and advanced than the contract system.



Therefore, I believe that with regard to profitable enterprises with normal production, those "autonomy-extended" enterprises practicing profit-sharing and those "tax in place of profit" experimental enterprises should continue to carry out the originally specified experimental system and should not be converted into contract enterprises. For those nonexperimental enterprises which, earn large profits, conditions should be actively created for them to enter the ranks of the autonomy-extended pilot projects. (Three conditions were originally specified for autonomy-extended enterprises: production, supply, and marketing are normal; the leading group is fairly good; the management system is relatively sound.) I believe that only three categories of enterprises should practice the contract system; (1) low-profit enterprises with products of low price and small profit; (2) enterprises which are not profitable for policy reasons; (3) enterprises whose production and profit have dropped sharply as a result of economic readjustment but which are not in the category for closure, suspension, merging, or conversion. For other enterprises which are operating with very small profits or at a loss because of poor management, drastic measures should be taken through the policy of readjustment, restructuring, reorganization, and upgrading to push them in the direction of becoming profitable or very profitable enterprises. They should not and need not go through the contract system and be allowed to gain a share of the above-quota profits or bonuses without any kind of pressure. I maintain that standards for all contract enterprises should be set on a yearly basis and not for three or four years without change. The benefits for contract (including a share of above-quota profits and standards for awards) must be lower than for the "autonomy-extended" and "profit changed to tax" experimental enterprises. It cannot be the other way around. In fact, more backward, more poorly managed, and very small profit or contract deficient enterprises receive more and greater benefits than the autonomy-expanded enterprises with yearly rising production and profits. This extremely irrational phenomenon must be changed. The reason is that to carry out the principle of "distribution according to work," enterprises with large contributions to the state should also receive large rewards. Those with small contributions should also receive small rewards. Enterprises with very small profits or operating at a loss should receive less or none at all. Taking into consideration the irrationality of prices and taxes, proper measures have already been taken for those enterprises with very small profits or operating at a loss because of objective reasons by their adopting the contract system and allowing them to receive some definite benefits lower than those for the autonomy-extended enterprises. Only by exerting certain pressure on the enterprises which practice the system of receiving the above-quota profits and the system of extending management autonomy, or the enterprises designated for closure, suspension, merging, and converting, and by imposing strict limitations on economic benefits (including readjustments in prices and taxes), can these enterprises be pushed forward and give the honor of making more contributions to the state and the honor of being given "extended autonomy." A principle for reform should be established that only enterprises with profit levels above the medium can receive benefits. Enterprises below the medium should be gradually liquidated.

## ECONOMIC MANAGEMENT

### REPORT ON MARKET MANAGEMENT WORK

Xian SHAANXI RIBAO in Chinese 9 Mar 82 p 3

[Article by Fu Shengzhang [0479 4164 7022] and Liu Bangxian [0491 6721 7359]: "Report on Market Management Work (Excerpts) (At the 13th Meeting of the Standing Committee of the Provincial People's Congress on 25 February 1982)"]

(1)

[Text] Since the Third Plenary Session of the Party, market conditions in this province have generally been good due to the attention devoted to them by leaders at all levels of the Party and to close cooperation among all those involved. There have been overall increases in purchases, sales and savings, there has been an increase in channels of circulation, the market has been active and prices have remained comparatively stable. After the "Shanxi Province Trial Method for Market Management" was issued last year, there was a new improvement in urban and rural agricultural and trade markets.

1. There has been recovery and expansion in urban and rural agricultural and trade markets. At present, there are 1,147 urban and rural agricultural and trade markets in the province, an increase of 406 since the latter period of the "cultural revolution" and an increase of 136 as compared to 1965.

2. The urban and rural economies have been stimulated. Since the recovery in country fair trade, there have been continual increases in goods appearing on the market and there has been a gradual increase in the volume of business. On the basis of typical survey calculations, the total value of goods on the market in country fair trade for urban and rural areas of the province as a whole in 1981 was more than 2,070,000,000 yuan. The sales ratio was 68 percent. The volume of business increased 10.3 percent by comparison with the previous year and increased 41.2 percent by comparison with 1979. The expansion of country trade fair is basically healthy, and, under conditions in which the primary emphasis is on maintaining a planned economy, provides a supplementary regulatory effect on the market and makes up for the deficiencies in state-managed trade.

3. Market prices have remained comparatively stable. Since the recovery of country fair trade, market prices have fallen from a high to a low level and

There has been a gradual fall after a rise. By 1980, there was a tendency toward stability. In 1981, there was a rise in country fair prices because of the effects of natural disasters and elevations in the prices of some agricultural by-products. However, generally speaking, country fair trade prices have been much more stable than before the markets were opened.

4. An attack has been made on speculation and profiteering. Last year, more than 12 thousand cases of infraction of the speculation law were examined and dealt with in the province as a whole, an increase of over 10.8 percent over the previous year. Of these, 6,956 were cases of speculation and profiteering, an increase of 9.7 percent over the previous year.

The following characteristics can be seen from a study of the speculation and profiteering cases that have been examined and dealt with. First, there has been an increase in major cases. Second, there has been an increase in offenses committed in several organizations and enterprises, collective units and cadres and individual workers. Third, there has been an increase in offenses committed by persons who have habitually engaged in speculation and profiteering and by persons who have been released from labor reform. Fourth, there has been an increase in group offenses.

Attention has been devoted to building markets. Over the past year, 3,260,000 yuan has been invested in building country fair trade markets in various regions, with 198 markets having been expanded or newly built and covering an area of 145 thousand square meters. Four-hundred and eighty-eight covered markets have been built amounting to an area of 40 thousand square meters. Fourteen thousand meters of vending stands have been built. More than 300 business service offices have been established. They do a good job of service and provide facilities and conditions for country fair trade. At the same time, an initial reorganization is being made of country fair trade.

(2)

In recent years, there are still many problems remaining in market management work. The most prominent are the following. First, there still has not been a basic transition to a better market economy order, with disorder in these activities. In some places, goods and materials that are not permitted to be put on the market have been demonstrated to have been put on the market or have been sold secretly. Several major agricultural by-products and a number of industrial goods have gone onto the market. This has affected the implementation of planned purchase assignments. In several places, business is being conducted outside the markets. This destroys planned uniform management of the market. Second, the work of attacking speculation and profiteering and of changing incorrect attitudes about circulation of goods is not progressing in a satisfactory way. In some counties and cities, a great effort is not being made to overcome lack of manpower, lack of familiarity with business and great resistance so that illegal speculative activity is still rampant in some places. Third, market prices are comparatively disordered. There are some enterprises (including state-managed and collective units) that raise the

price of goods as they please or that have expanded the range of goods subject to negotiated prices. Some business units and collective consumption units have increased commodity prices on the market in competition for goods. Some of them resell what they have bought at a profit on the spot, driving up the price. Some mix goods for fakery and sell short catties and short liang, thereby increasing profits in disguised form. Fourth, the corps of industrial and commercial administrative management cadres is weak and is not suited to the demands of the work. Fifth, market building work has not kept pace. At present, many county fairs do not have areas for doing business so that, on market day, people carry out their activities along the sides of streets, with intolerable crowding occurring. This disrupts traffic and creates disorder so that accidents continuously occur. These problems are awaiting immediate study and resolution. For this purpose, we propose that the items of work be undertaken in the future.

1. Continued reorganization of market economy order. Under the leadership of all levels of the government, we must organize the concerned departments in charge of the regulation of industrial and commercial enterprises on the basis of state policies and in a planned and orderly way. The principal task of reorganization should be the trust work units of state-managed commercial enterprises, trade warehouses of supply and marketing cooperatives, and supply and marketing units of industrial departments and commune and township enterprises. The time allotted for reorganization should be two years. In the first year, we can handle a part of it and we can complete it next year. At the same time, we must continued to do a good job of managing registration of industrial and commercial enterprises. By means of reorganization and consolidation of enterprises, we can correct the practice of doing business without a license on the market, suppress doing business without a license and stop illegal trading. We should hold to a primary emphasis on a planned economy and to a supplementary policy of market regulation to control disorder and stimulate activity so that an orderly development of the national economy can be assured. Administrative management departments of industry and commerce should do a good job of managing controlled materials stipulated by the state in cooperation with concerned departments in accordance with relevant state policies and the "Shanxi Province Trial Method for Market Management." We must put a stop to marketing of materials and goods that are not allowed on the market. Type 1 and type 2 agricultural by-products that are allowed on the market by policy could be traded on the market under the condition that state purchase plans are fulfilled and that contracts are fulfilled. A good grasp must be gotten on purchase and sale economic activity in order to safeguard proper market business as well as to do a good job of service work and effect circulation of goods. In strengthening market management work, we must give attention so that we do not create disorder and interfere with and restrict the market.

2. Strengthening of market trading prices. First, we must guarantee that the channels of market trading will not be impeded and we must bring the state-managed commerce on the market into play. Next, we must strengthen dissemination of policies and instruct the peasants to implement the policy on a voluntary basis. Third, in the course of major fluctuations in commodity prices, we must investigate and come to an understanding

... trading prices on the whole and we must provide severe punishment to ... and individuals that violate price policies in a serious way and that ... profits illegally. Fourth, business units that enter the market must implement state price provisions and must clearly mark the prices of various types of goods. The industrial and commercial administrative management departments must announce the prices of a number of the major goods that are permitted on the market in a timely way either one day before the market day or ... to the market day in order to facilitate guidance of reasonable price negotiations by both parties to a transaction. Fifth, we must examine and ... market weighing scales in order to safeguard fair trading. Those that do not meet the standard should not be permitted to be used in markets. Scales that have been manufactured illegally should without exception be confiscated. Those who practice fraud and who sell at short measure to drive up prices should be firmly punished. Sixth, we must conscientiously implement the relevant provisions on market price management. Business units and collective consumption units should not be allowed to drive up prices by competing for purchase on the market. Small merchants and peddlers should not be permitted to buy up goods in bulk from state-managed and collective stores and then turn them over for sale at increased prices. Enlarging the range of the negotiated prices as before should not be permitted. Type 1 and type 2 agricultural by-products should be permitted to be traded at negotiated prices before the state provisions have been fulfilled and retail prices of type three industrial goods should be set in strict accordance with the relevant provisions. All industrial and commercial enterprises that sell type 1 and type 2 industrial goods of the same specified quality on the same market at the same time must sell at the same price for them. Things must not be passed off as being in proper order and fraudulent mixing is not permitted. Prices must not be inflated by ... means as changing trade marks in order to facilitate trade. No individual may engage in bullying to gain domination over the market, ... by trickery or drive up the prices of goods and materials.

... attacks on speculation and profiteering and private selling and ... and put a stop to incorrect practices in the circulation of goods. Industrial and commercial administrative management departments at all levels must, under the unified guidance of Party committees and the government at all levels, cooperate with such concerned sectors as the discipline and inspection, public security, personnel, tax and banking sectors in further amplifying ... relating to the economy, strengthening market management, ... to incorrect practices in the circulation of goods and ... attacking speculation and profiteering and private selling and ... activity.

... industrial and commercial administrative management corps and ... of ... markets. The insufficiency of industrial and commercial administrative management personnel should be made up for as quickly as possible. In those areas in which industrial and commercial administrative management departments are lacking, they should be established as quickly as possible. Counties and cities that have no market for transacting trade should make overall plans to ... this problem. In the future, the provincial government ... industrial and commercial administrative management ... market trade service fees, that the quarantine departments

collect the quarantine fees during periods of quarantine and that the tax departments collect the market trade taxes, and, that aside from these departments, no other units or individuals, without exception, are to be permitted to collect fees from the masses privately under various concocted pretexts. We must resolve to correct the phenomenon of disordered collection of fees.

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## FINANCE AND BANKING

### INCREASING INCOME AND ECONOMIZING ON EXPENDITURES URGED

Kunming YUNNAN RIBAO in Chinese 6 Mar 82 p 2

[Article by a Commentator of YUNNAN RIBAO: "Strive to Increase Income and Limit Expenditures; Increase Revenue"]

[Text] Consolidating stable economic results and continuing to realize "the two balances and one stability" is an important mission for economic development this year. If Yunnan wants to maintain basic balance of revenue and expenditures, it should strive to improve economic results in all economic departments by increasing revenues. This is both the key to a stable economy and realizing "the two balances and one stability" as well as an important condition for laying a good foundation for accumulating strength in the future. According to statistics, taking Yunnan's needs for economic development over the next few years into account, we should strive to have revenues increase by an average of 10 percent a year before 1985. Starting now we should strive to achieve this by all means possible.

To achieve this goal requires the collective effort of all departments of the national economy, but primarily industrial departments should increase income by every means possible because over 80 percent of Yunnan's revenues come from industry. Industry has many ways of making money. It has great potential. The important way to increase income this year is to continue developing Yunnan's superiority and vigorously develop production of consumer goods. We should increase output, improve quality, reorganize product mix and improve economic results. In this regard, great contributions should be made by flue-cured tobacco, cigarettes, sugar, tea and other food industries as well as by the textile industry. As early as possible these departments should set concrete goals for increasing production and income this year and make them public and mobilize and organize employees to promote their attainment. At the same time, the following work should be done: state-run commerce and supply and marketing cooperatives above county level should increase taxes and profits for the state by expanding sales; industrial and commercial enterprises should do a good job of economic accounting, vigorously launch movements against waste, lower expenses for raw materials and energy, reduce losses, lower costs and circulation expenses, conscientiously put in order the rectify irrational subsidies, and lighten the economic burden; become closely involved with enterprise financial inspection and tax revenue payment. By doing these things, all economic departments can directly make their own contribution to increasing revenue.

There are also some departments where the improvement in economic results is not directly reflected in increasing the revenue for that year, but has important influence in increasing social wealth and benefitting the masses even more and in the long view also has an important relationship to increasing revenues. Thus it is necessary to pay careful attention to and stress the work of these departments, including: improving the return on investment in capital construction, strictly controlling construction scale, utilizing investment rationally, shortening construction time, improving project quality, lowering project costs, strengthening enterprise management of projects under construction; improving the economic results of agricultural production, and it is necessary to be painstaking in these improvements, whether it be planting, cultivating or rural sideline industry. In foods and economic crops, the important thing is raising unit yield, raising quality and in animal husbandry we should raise the chulanlu [0427 2936 3764A], churoulu [0427 5131 3764A], channaolu [3934 3029 3764A], and shangpinlu [0794 0756 3764A]. Industrial and commercial enterprises should accelerate the turnaround of circulating capital. There are many uses for circulating capital and if the turnaround is slow, it increases interest payments thus raising costs and is disadvantageous for the full utilization of social capital. The circulating capital and turnaround time used by industrial and commercial enterprises this year should be clearly reduced and shortened.

It is not hard to see that completing the above tasks and realizing the goal of increasing revenues requires much hard and careful work by each economic department including carrying out enterprise reorganization and further improving the system of economic responsibility. However difficult and complex the work we certainly should resolutely strive towards the goal of increasing economic results and increasing revenue. More comrades should understand this truth: expenditures can only be paid out if they are taken in, we can only do what we have the money for; only by increasing revenues can expenditures be increased and more things done. In these few years, along with the constant development of production, Yunnan's revenues can also increase year by year, but an insufficiency of capital is still an important difficulty in economic construction. Some things that should be done will often not be done or postponed because capital is lacking. Thus the party and each economic department and all units that use money should strive to understand how to make, accumulate and use money to safeguard the smooth implementation of socialist construction.

## FINANCE AND BANKING

### BRIEFS

GUANGDONG TREASURY BONDS RALLY--On 20 April, the Guangdong Provincial People's Government held a mobilization rally of relevant units on subscribing for treasury bonds. Vice Governor Yang Deyuan spoke at the rally, saying that this year, only provincial subordinate units and units of the central authorities in Guangzhou Municipality should subscribe for treasury bonds. The provincial government demanded that before the end of April, they must subscribe for treasury bonds. Units must pay for bonds subscribed before the end of June and individuals must pay before the end of September. At the rally, Yang Deyuan first subscribed for 1,000 yuan of treasury bonds. [HK240259 Guangzhou Guangdong Provincial Service in Mandarin 2350 GMT 20 Apr 82]

ZHEJIANG SAVINGS DEPOSITS--Savings deposits in cities and towns in Zhejiang Province have increased sharply. From 1979 through 1981 total savings deposits in these areas increased by more than 651 million yuan. In 1981, each person in cities and towns in the province had an average of 253 yuan in the bank, and increase of 120 yuan over that at the end of 1978. [OW251401 Guangzhou Zhejiang Provincial Service in Mandarin 1040 GMT 24 Apr 82]

CSO: 4006/427

## MINERAL RESOURCES

### BRIEFS

HEILONGJIANG GRAPHITE DEPOSITS--Two large-scale graphite deposits have been discovered in Jixi Municipality's (Liumao) area and in Boli County's (Heling) area, Heilongjiang Province. The (Liumao) graphite deposit is the biggest and best one in China. To date, 14 graphite deposits have been discovered in Heilongjiang Province and the total graphite reserves in the province rank the first in China. [SK231511 Harbin Heilongjiang Provincial Service in Mandarin 1100 GMT 21 Apr 82]

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#### YUNNAN RADIO STRESSES ECONOMIC RETURNS

HS260548 Kunming Yunnan Provincial Service in Mandarin 1100 GMT 25 Apr 82

[Station commentary: "Correct the Guiding Ideology and Improve Economic Returns"]

[Comments] The provincial industry and communications work conference proposed that it is necessary to correct the guiding ideology for production and shift from emphasizing output value and growth rate, as in the past, to stressing economic returns, and seek a sound growth rate without any padding. This is a fundamental change in the guiding ideology for industry and communications. It is the key to achieving a fundamental turn for the better in finance and the economy.

Our province has done some work and scored some success in improving economic returns in the past 1 year. However, there has still been no fundamental change in the situation of low economic returns. Apart from lagging far behind the national average in many economic and technical indices, some enterprises have not attained their previous best levels. The quality of some products has declined, while input consumption has increased. A few products pile up, unsaleable. This shows that there is still some padding in our growth rate. It also shows that the previous idea of emphasizing only output value and paying little attention to economic returns has not yet been fundamentally changed. We have then been fundamental changes in work systems, methods, and specific production methods.

We must first correctly understand and handle the relationship between growth rate and economic returns. The tax paid by industrial and communications enterprises is the main source of the province's financial revenue. Industry and communications production must maintain a certain growth rate while undergoing fundamental change. However, the practice of many years has proven that there can be no true growth rate without economic returns. There can only be true growth rate on the basis of improving economic returns.

A growth rate of industry and communications production could not be called fundamental change in recent years, but the state has not benefitted much from it. Hence we must make efforts to economize in labor and material input and in improving product quality to meet social needs, and achieve a sound growth rate without padding and with good economic returns.

Second, we must correctly handle the relationship between partial and overall interests.

Third, we must break down economic blockades, preserve the unified market of the whole country, and regard the whole country as a chessboard. Ours is a socialist economy. We must preserve the socialist unified market under the guidance of the state plan and ensure normal circulation in the domestic market. In this way we can enliven the economy, develop production and improve economic returns. We must certainly not restrict activities to a designated area or sphere, organize artificial blockades, and compete by excluding others.

Fourth, we must improve our work style, systems and methods to match the effort to improve economic returns.

80: 1988.4.28



# SOME CADRES URGE PROTECTING CHINA'S INDUSTRY

Beijing RENMIN RIBAO in Chinese 19 Apr 82 p 2

Article by RENMIN RIBAO reporters group in Shanghai: "Some Cadres in Shanghai Industry Call For Protecting and Promoting China's Industry"

Over the past few years, the development of China's industry was greatly hampered by the blind import of a large quantity of foreign consumer goods, machinery equipment, cars, computers and so forth in some localities and departments. This has drawn the serious attention of the industrial circles. They call for stopping the blind importation of foreign goods and protecting China's industry. This reporter interviewed some comrades at the watch, machinery, and computer industrial departments, and they gave many important views on this matter.

## Opposed to Blindly Import Watches

The quantity and brands of watches imported over the last few years, as well as the channels through which they are imported, are unprecedented since the founding of the state. In the past 2 years China has imported about 5 million watches (excluding a large quantity of smuggled items), and this was about 1,000 percent of the 1965 figure. Many of these watches, which have been imported from different countries, are counterfeits of well-known watches and are poor in quality to be used. However, there are many channels through which they are imported. They are imported through various provinces, municipalities, and even some enterprises and units.

Li Chongkai, manager of the Shanghai clock and watch industry, told this reporter that there has been serious harm in blindly importing watches. First, this has caused the Chinese-made watches to become uncompetitive. Although Shanghai's watches enjoy high prestige both at home and abroad and are more salable, there is also increasing pressure on the sales of these watches. The state has spent a large sum of money importing watches and in the process has improved our watch factories, but their products are still being squeezed out by the imported watches. On the other hand, the excessive import of foreign watches also resulted in overstocking and caused serious losses of the state. Furthermore, as quite a number of imported watches, although they look fine, are of poor quality and are difficult to use, the consumers have also suffered from losses.

especially the case with digital timepieces. As a result, some of our existing watch factories have had to cease production. Even those in operation operate with great difficulty.

Some people believe that the import of watches can help withdraw currency from circulation. Comrade Liu Chongkai said, over the past few years, the import of a certain number of watches under certain conditions did help enliven the market and withdraw currency from circulation. But blind import should be prevented, otherwise things will go contrary to our intentions. At present, because of the serious overstocking of watches, the aim of withdrawing currency is not reached. From a long-term point of view, only by promoting our national watch industry can we reach this aim. In 1980, the Ministry of Commerce offered Shanghai Watch and Watch Company a sum of foreign exchange, which was originally intended to be used to import watches for the purpose of withdrawing currency. Instead, this company to "buy hens which can lay eggs" and to produce 350,000 watches for the market. As a result, with the foreign exchange, Shanghai bought a lot of sets of key equipment and produced nearly 1 million more watches for the market. Thus, the aim of withdrawing currency was reached.

Concerning the recent blind import of daily consumer goods, Liu Chongkai made the following proposal:

First, we should make laws to limit the import of consumer goods. Since many consumer goods can be produced in our country and the quality is better than the same products of other countries, they should not be imported.

Second, administrative intervention must be strengthened so that the import and export can be better arranged. Departmentalism and the profit-before-all mentality in some localities and departments must be opposed. In foreign trade, foreign trade and commercial departments must discuss with industrial departments and respect their opinions. The contact between these departments must be strengthened so that production and marketing can be better coordinated. It will be helpful, and also be possible, to hold a meeting to discuss the balance between production and both domestic and foreign markets.

Third, we should establish our sense of national respect and actively oppose the use of our national products and to oppose blind importation. It is wrong to unreasonably help foreigners produce goods. Although it can help a certain unit, it will harm consumers the whole nation.

Fourth, we should strengthen our own production.

Fifth, industrial departments and units reported that the blind import of and use of foreign goods will be a serious threat to our national economy.

Comrade Liu Chongkai said, the blind import of foreign goods is a serious threat to our national economy. It will be a serious threat to our national economy.

step. Its output and output value have been constantly increasing and the quality and technological function of its products have been improved. However, foreign computers have been blindly imported by some departments, the use of Chinese-made computers, especially of desk calculators, has been neglected. The whole production line in the Shanghai No 14 radio factory was disrupted, and many other appliance factories had to shift to other lines. The same thing has also happened in other parts of the country. The situation is no better in the production of micro-, medium- and small-size calculators. Shanghai has made great efforts and succeeded in trial-producing the magnetic disc, which is the main outer part of a calculator. However, the blind import has not ceased. It continues to harm our electronics industry.

As to the import of component parts for assembly in China, Miao Yanfeng pointed out the necessity of doing so. A calculator factory has produced thousands of calculators by annually assembling imported components, yet it boasts that economic results have been improved. As a matter of fact, the amount of imported parts is almost the same as the import of complete calculators. After being assembled, they are sold in our domestic market. It is equivalent to opening the Chinese market to foreign businessmen, and since our national computer industry is being injured, the foreign firms will reap a big profit.

We support the import of some necessary key equipment, but we do oppose blind import. Some people have found an excuse for blind import, saying that imported products are in poor quality and cannot be used. Comrade Miao pointed out that this needs concrete analysis. As a matter of fact, Chinese-made products have been used in many units and have played an important role. He gave some examples. For example, the two Chinese-made communication bureaus have been working perfectly since they were installed in 1979 to transmit telegrams. Many of our products are inferior to world advanced products, proceeding from China's realities, Chinese products should be used. They are inferior to foreign products, so long as they work. Why should foreign goods be used instead?

#### Shift Our Production Toward Producing More National Products

A responsible person of Shanghai's first machinery bureau and society of mechanical engineers, told this reporter that the equipment imported in the past few years was not restricted, great harm will be done. He said that the engineering equipment will be idle and will not be used. So will, since the imported equipment is usually of low quality, more money has to be spent by our country. Since the machines are imported from various countries and are of different standards, it is difficult to get them repaired in our country. It will take a long time to get foreign spare parts for a long time.



Comrade Qiu Ke said that the aim of protecting our national industry is to create conditions for changing our backward situation. The Shanghai automobile factory is one of the main passenger car manufacturers in China, with a capacity of producing 5,000 cars per year. Over the past 20-odd years, owing to the lack of funds, we were unable to improve our scientific research work and the backward technology and equipment. Many production means and instruments became inaccurate after having been used for a long time, and the function and quality of products were affected. Many people are anxious about this situation. Now the Shanghai automobile factory is planning to produce a new car which uses 30 percent less fuel than the current model and 47 percent less than jeeps. It is difficult and will take a long time to carry out this plan with out own efforts. It is thus necessary to reform the existing equipment and technology. If the import of cars is stopped and the funds thus saved are used to develop the national auto industry, this problem can be solved with less difficulty.

CSO: 4006/428

## INDUSTRY

### NINGXIA CHAIRMAN ON INDUSTRY, COMMUNICATIONS WORK

HK290729 Yinchuan NINGXIA RIBAO in Chinese 15 Apr 82 p 2

[Report: "Comrade Ma Xin Speaks at Regional Industry, Communications Work Conference"]

[Text] Dear Comrades,

The main task of this regional industry and communications work conference conducted by the State Council, discuss how to improve economic returns by acting in accordance with the local actual situation, study and solve a few major problems in this year's industrial and communications production, formulate specific measures, and ensure the completion of this year's state plans in an all-round way. The participants of the meeting have seriously studied the important speech made by Comrade Zhao Ziyang at the national industry and communications work conference and Comrade Yuan Baohua's report; and the guiding ideology has been made explicit. All participants have expressed firm support and have decided to resolutely implement them. Now, in accordance with the situation of the discussions of the regional CCP Committee and the government, I give some opinions on how to promote our region's industrial and communications production this year.

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How to correctly understand the current situation of our region's economic front is of great significance to uniting the ideology of the broad masses of workers and in particular the ideology of the leading cadres at all levels, enhancing revolutionary vigor, striving to improve economic returns, fulfilling this year's industrial and communications production tasks, and bringing about a turn for the better in the current financial situation. In the previous year, due to the conscientious implementation of the spirit of the 6th plenary session of the 11th CCP Central Committee and the 4th session of the 5th NPC, the eradication of the "leftist" guiding ideology and the implementation of the major policy of the CCP Central Committee of carrying out further economic readjustment and realizing a more stable political situation, our region's industrial production advanced amid difficulties and gradually developed toward a promising orientation.



Our region's industrial and communications production encountered great difficulties last year. More than 20 percent of the planned output was not fulfilled and more than 300 enterprises were not assigned sufficient production tasks. In the face of such a situation, the region has conducted three industry communications meetings and two telephone conferences to implement the spirit of the two national industry and communications meetings conducted by the State Council, to correct understanding, enhance vigor, implement the economic policies and strengthen specific leadership and production arrangements. The situation of production was improved in May. The situation became even better in September. The region organs sent more than 200 cadres to GP deep to the grassroots, carry out inspections, exercise supervision and solve problems. As a result, the situation of production was further improved. With the encouragement of the spirit of the CCP Central Committee, many enterprises have overcome the ideas of inertia and passiveness, actively overcome difficulties, actively "managed things on their own" and extensively opened up sources of production. They have strived to enliven the economy in every possible way, enabling the region to fulfill a total industrial output of 1.16691 billion yuan, fulfilling 97.24 percent of the year's plan.

In general, the situation of our region's industrial and communications production last year was gradually improved each quarter. The results are obvious. Governments at all levels, the industry and communications departments and enterprises have done a lot of work and have overcome a lot of problems. We must affirm their achievements. However, we must clearly see that some serious problems still exist in our region's economic work. The outstanding problem is poor economic returns, and leading departments at all levels should attach great importance to this.

As far as industrial production is concerned, production has been lowered by a large extent and certain products have been overaccumulated. The total industrial output last year was exaggerated by about 2 percent. As far as the product quality and consumption is concerned, in accordance with the inspection of the 1981 technical and economic targets of the key enterprises, product quality of three-quarters of the products has been lowered and consumption was increased. Quality of the light industrial and textile products, in particular, has been lowered by a relatively large extent. As far as energy consumption is concerned, 8 of the 10 energy consumption quotas included in the plan have gone up to a varying degree.

Although these are questions in the course of advance, we must carry out conscientious analysis. We must sum up experiences, adopt powerful measures and rapidly promote the economic returns of the region's industrial production.

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This year's industrial production tasks have already been clearly stipulated: Under the premise of improving the economic returns, we must fulfill in an all-round way the 15 economic and technical targets such as achieving a total industrial output of 1.3 billion yuan and turning 16.1 million yuan of profits over to the state, realize a realistic growth rate which is not exaggerated and which "guarantees a rate of 5 percent and strives to attain 6." In order

to realize these targets, we must do a good job of the following:

(I) Shift The Guiding Ideology Onto Improving the Economic Returns

Recently, the State Council put forth the idea that "it is necessary to rectify the guiding ideology in industrial production." That is to say, it is necessary to stress the economic returns in industrial production and to have a realistic growth rate which is not exaggerated. Therefore, our industrial production and even our economic work as a whole, from guiding ideology to specific work, must undergo a fundamental change. We must open up new prospects in improving the economic returns.

Currently, many comrades are worried when we stress improving the economic returns. They think that our region's industry has a poor foundation to start with and naturally lacks competitiveness, and tasks will be tougher in the future if we go as far as to put forth the principle of breaking down regional blockades. Many of them even lose faith in the development of the local industries. Regarding this question, we should keep a clear head, understand the overall situation, carry out conscientious analysis and consequently draw correct conclusions. First of all, we must see that our region's industry has a certain foundation. It has a considerable competitive power whether we look at the level of equipment, the technical force or the supply of energy. As a matter of fact, the region's production capacity and technical level in the production of woolen products, leather goods, rubber products, steel-smelting, machine tools, coal-mining machines, bearings, meters, testing machines, cranes and so on occupy a dominant position in the relevant trade throughout the country. In addition, we should recognize that our region has rich resources of local products and natural resources such as coal. So long as we proceed from the actual situation in a truth-seeking way and seriously work out methods, there are great prospects for development. There are also great prospects for the development of other industries in our region such as light and textile, electricity, chemicals, metallurgy, foodstuffs, fodder and so on. Our region's industries have plenty of scope for development. We should be confident. There is no basis for us adopting a passive attitude, being disappointed, or moaning and sighing.

(II) Strive to do a Good Job of Several Kinds of Work Which Bring About Improvement in the Economic Returns

In order to improve the economic returns, we not only need a change in the guiding ideology but must also work hard in various practical jobs. In accordance with our region's actual industrial production situation, we must do a good job of the following this year:

1. Develop in a big way the production of marketable goods. Regarding those products which are marketable and are highly competitive, we must carry out through analysis in every link and solve practical problems, enabling them to become first products in our region's industrial production. Regarding products for which social demand is high and which are not highly competitive due to a low production level, we must organize forces and work with concerted efforts to tackle key problems, strive to obtain good results in the near future and open up markets. Regarding products for which social needs have already been satisfied, products which demand a high energy consumption and

products which are out-of-date, we must be determined to eliminate them and shift to production of marketable products. We must strive to develop production of products which are in short supply and products of daily use in accordance with the market demand and our technical force in order to expand production and increase revenue.

2. Practically do a good job of technical renovation. In order to make a few major industries in our region gradually suit market demands both inside and outside the country, and on the basis of making full use of the materials and technology of the existing industries, we must strengthen work in obtaining economic and technological information and import new technology. We must promote technical renovation of existing enterprises, tap the potential of existing enterprises, and proceed on the path of developing production in depth and by intension. We must use a relatively small amount of investment to obtain relatively great economic results. We must manage well and use well the funds for technical renovation and lay stress on ensuring the completion of projects which bring better results. We must not promote egalitarianism. In the future, leaders concerned will be liable for cases of waste and misuse of funds set aside for tapping the potential of enterprises and carrying out renovation and reform.

3. Carry out well the linking of production and supply and marketing. At present, the linking of production and supply and marketing is still an outstanding problem. All fields concerned must understand the overall situation and take the overall situation into consideration; the commercial and material supplies departments must primarily be enthusiastic in promoting sales of the local industrial products. We must support each other and promptly solve the existing problems by proceeding from speeding up industrial and communication production and improving the comprehensive economic returns.

We must adhere to the idea of working in line with the state policies. All products, including agricultural and sideline products which are included in the state's allocation plans should be allocated promptly strictly according to the plans. It is forbidden to retain these products, to process them or to sell them at negotiated prices.

4. Do a good job of increasing revenue and reducing expenditure, taxation from industries constitutes a large proportion of our region's local financial revenue. Therefore, in order to improve the situation of local financial revenue in the region, we must strive to develop industrial production, improve the economic returns and promote work in increasing revenue and reducing expenditure. This year's profit quota for the industries is 16.1 million yuan, and we must work hard to achieve it.

Major responsible comrades in all areas, all departments and all enterprises must attach importance to financial management. We must be strict with unnecessary expenditure and change the situation in which everyone turns a blind eye to waste and extravagance.

We must seriously promote large-scale financial inspection. By means of launching this large-scale inspection, we must popularize education in

financial and economic discipline, rectify and strengthen financial control, push forward economic accounting and strive to lower production costs and increase income.

5. Correctly handle the relationship between the state, the collective and the individual. This year's financial tasks must be completed in accordance with the principle of "taking the interests of the state, the collective and the individual into consideration." We must ensure a considerable increase in industrial output this year over that of last year. Regarding this question, all departments in charge and enterprises must adopt a correct attitude and actively make contributions to the state. It is wrong for departments concerned and enterprises to refuse to implement the correct policies and set the lowest production quota possible. We must promptly correct such a practice. Distribution of bonuses must be made in accordance with the spirit of the documents of the State Council and must be strictly controlled. Distribution of bonuses this year should be stabilized at last year's level, our major task is to correct the practice of egalitarianism in distributing bonuses and implement the principle of remuneration according to labor in order to arouse the people's enthusiasm.

6. Carry on doing a good job of closing down, suspending and merging enterprises and shifting them into other types of production. We must continue to close down, suspend, merge and shift production in those enterprises which are in difficulty, which produce unmarketable goods, which are operating with poor economic returns or operating at a loss. We must integrate industrial readjustment with straightening out enterprises this year. We must carry out analysis of the existing enterprises. Enterprises which should be closed down and suspended must be closed down and suspended, and enterprises which should be merged or which should have production shifted should be merged and should have production shifted. We should strive to enliven these enterprises. Regarding enterprises which have already been closed down or suspended, the bureaus in charge and the departments concerned must help them to do a good job of shifting production. It is necessary to put forward specific demands and measures, demanding that they resume normal production with considerable economic returns not later than the end of the third quarter. Regarding those enterprises which are running at a loss, it is necessary to grasp the work of reducing the deficit and turning deficits into profits. It is also necessary to put forth specific demands so that there will be targets of endeavor for the enterprises.

(III) Uphold the Principle of Taking the Planned Economy as a Dominant Factor and Supplementing it With Regulation by Market Mechanism

Fundamentally speaking, the improvement of economic results must depend on the readjustment of the economic structure and the reform of the economic systems. There is no other way out. However, we cannot wait until the reform of the systems and the readjustment of the economic structure are completed. At present, in order to solve this problem, we need to give full play to leadership. In other words, we must strengthen guidance in planning and intervention in administration, and strengthen supervision and inspection. We must try our best to keep up with the social needs in working out a production plan so that it can conform with these social needs. We must carry out centralized and

unified guidance, organizing production and allocating materials strictly in accordance with the plan and contracts. Only in this way can we bring our enterprises into the orbit of healthy development, and thus facilitate the national economy developing in a planned, coordinated and proportionate way. Administrative intervention must play its part in stopping the allocation of those unreasonably overlapping production tasks, the products of which are obviously not needed by the society. The production of some commodities which there is a surplus of and the market of which has already been saturated, must be restricted.

To uphold the principle of taking the planned economy as a dominant factor, we must firmly set up an overall point of view, proceed in everything from the overall situation, and persistently overcome those unhealthy tendencies such as selfish departmentalism, [word indistinct] and so on. We must unswervingly carry out the principle that the part must be subordinated to the whole. When there is a contradiction between the growth of production output and comprehensive economic results, the latter must be absolutely guaranteed.

#### (IV) Resolutely Deal Blows at Serious Criminal Activities in the Economic Field

Since the party's third plenary session, we have carried out in the economic field the policy of opening the door to the outside world and enlivening the economy at home. This direction is correct and the good results that we have achieved are of major significance. The present excellent situation would not have emerged without these reforms. However, we must also be clearly aware that some problems will inevitable emerge following the implementation of the policy of opening the door to the outside world and enlivening the economy at home. Some illegal activities such as smuggling, selling smuggled goods, speculation, swindling, corruption, bribery, and so on have prevailed in certain places and units. These activities should never be treated casually. If we do not deal blows at them immediately, they will seriously corrode our contingent of staff and workers, and thus gravely harm the construction of the four modernizations. We must fully understand the seriousness and perniciousness of the criminal activities in the economic field at the present stage, and raise our consciousness in carrying out this struggle. We must eliminate the wrong idea which holds that this struggle has no important bearing on our Ningxia regional as we are far away from coastal areas. Actually, those criminal activities such as smuggling, selling smuggled goods, speculation, swindling, corruption, bribery and so on also exist in our region; and some of these cases are even quite serious. We must carry out this struggle along with the comprehensive rectification of enterprises and the great financial examination. We must discover leads through reorganization and examination, step up thorough investigation, and then seriously handle these cases. We must deal blows at criminal elements, as well as educate cadres. At the same time, we must establish and amplify various rules and regulations and stop up loopholes so that criminals can no longer take advantage of them. All these measures will help to improve business management and economic accounting, and thus push ahead the enhancement of economic results.



(V) The Comprehensive Rectification of Enterprises Must Be Conscientiously Promoted

In order to enhance economic results, we must devote much of our efforts to enterprise rectification. First of all, we must do a good job in reorganizing those large and medium-sized key enterprises, with more problems and greater latent power, which badly need to be reorganized. At present, some administrative departments have made unauthorized changes in the list of enterprises which are to be reorganized according to the plan for the whole region; some leading cadres who are to be sent out to carry out experiments in appointed units have not departed yet; some units have even recalled those comrades from the appointed units where they are carrying out experiments; and some places and departments have not carried out whole trade reorganizations. None of these practices are in any way tolerable. In enterprise reorganization, we must attach importance to the key task of reorganizing leading groups. At present, the leading groups of quite a few enterprises are lax and weak. In these groups, the average cultural level is low, the number of cadres with professional knowledge is small, and there are too many old cadres. All these problems must be solved in good time during the period of reorganization. Those excellent comrades in the prime of life who are professionally competent and have ability in both organizational work and political integrity should be promoted to leading posts in enterprises. Those people who belong to "the three kinds" and those who resist the line, principles and policies laid down by the third plenary session are absolutely excluded from leading groups. If they have already been admitted into leading groups, they must be discharged from their posts immediately. In short, the reorganization and building of leading groups in enterprises must meet the requirements of the four modernizations, as a big step toward the goal of having younger, more civilized, more specialized and more revolutionary cadres. We must establish a leading system with democracy and centralized administration integrated together so as to ensure the smooth implementation of enterprise reorganization by means of organizational measures.

At the same time, we must build up and amplify the system of staff and worker representative congresses in enterprises, do a good job in carrying out democratic administration, and entrust administrative power to factory managers.

(VI) Conscientiously Strengthen Ideological and Political Work

At present, as ideological and political work in some enterprises has been weakened, anarchism and liberalization tendencies have shown sign of gaining momentum. This merits our close attention. At the present stage, ideological and political work must aim at fulfilling the requirements of building the four modernizations, handling the problems emerging in economic work and dealing with the thinking of staff and workers. By means of ideological work, we must help staff and workers to grasp those fundamental guiding ideologies and guidelines such as "taking the interests of the state, collective and individual into consideration," "upholding the four basic principles," "attaching primary significance to food production and secondary significance to construction," and thus urge them to carry out all these in the actual work.



in order to deepen the correct understanding of the present situation by the vast number of staff and workers, mobilize their socialist initiative, and thus push ahead with economic development, we must, in industrial and mining enterprises and in cities, start extensive and lively education on the economic situation. In conducting education in the situation, various areas, departments and units must demonstrate, in the light of their own circumstances, the progress the state has made in the last 3 years in improving the people's livelihood. They must clearly explain to the people the fact that in the last few years, all this progress has been made under the circumstances that economic construction was severely damaged by the counterrevolutionary cliques of Lin Biao and the "gang of four," that we were loaded with the arduous task of economic readjustment, that the financial deficit was going up and the state was bearing a heavier and heavier burden. We must also expound to the masses the problem of commodity prices which has been talked about most frequently, and frankly tell them about our present difficulties. In order to enable the education in the situation to score solid results, propaganda departments, trade union units and administrative departments of enterprises can select several units for experiments, and then extensively launch the drive based on experience gained in the experiments.

We must link the building of spiritual civilization to ideological and political work, and promote the activity of learning from advanced units in depth. We must promote it in a down-to-earth manner and strive for real effects by starting from the real situation and combining the drive of learning from daqing with that of learning from Shanghai and Nantong. We must learn from the Chinese women's volleyball team and give full play to the death-defying spirit and take the initiative in making contributions.

We must restore and amplify political work organs by strengthening political work personnel, training political work cadres by stages and in groups in a planned way and unremittingly enhance their political understanding and professional competence. We must mobilize the masses to take part in promoting ideological and political work. Through the extensive mass ideological and political work, we can propagandize the party's guiding principles and policies, deepen the ideological and political consciousness of the vast number of staff and workers, motivate in good time the masses' socialist initiative in building the four modernizations and thus bring about a prominent change in the morale of factories and the work style of the party.

Comrades, the general situation is good this year, and the output value in the first season is up again. But, the economic results were very bad. Therefore, the industrial production tasks for this whole year are very arduous and our key problem is to strive for improving the economic results. We hope that through this meeting on industrial and communications work, we can revive our spirits and brace ourselves. Let all of us try to do a good job on various fronts, comprehensively fulfill the industrial production tasks of 1982, make this year a year of hard work and prosperity, and thus make our country better off year after year.

CSO: 4006/428

## INDUSTRY

### BRIEFS

**QINGHAI INDUSTRIAL CONFERENCE**--On 16 April, Shen Ling, deputy governor of Qinghai Province, said in a report delivered at the provincial conference on industry, communications and democratic management that the province must do well eight tasks this year to improve economic results. The eight tasks are: 1) Vigorously increase readily marketable products; 2) continue to improve product quality and increase variety; 3) accelerate technological innovations among enterprises; 4) vigorously attend to the economy of coal, petroleum and electricity; 5) promote mass campaigns for increasing production and practicing economy and strictly enforce financial discipline; 6) make good use of goods kept in stock and accelerate capital turnover; 7) bring into play the role of economic coordination groups and strengthen cooperation among various departments; and 8) step up the comprehensive analysis and checkup of economic results. [SK190836 Xining Qinghai Provincial Service in Mandarin 2330 GMT 18 Apr 82]

**LIAONING MUNICIPALITY INDUSTRY**--Fuxin Municipality, Liaoning Province, achieved good economic results in industrial and communications production in the first quarter of this year. The municipal industrial output value and profit increased 11.6 and 250 percent respectively over the corresponding 1981 period. In the meantime, Fuxin Coal Mining Administrative Bureau overfulfilled the quarterly raw coal production target by 78,000 tons. [SK180935 Shenyang Liaonign Provincial Service in Mandarin 1100 GMT 17 Apr 82]

**XINJIANG BOOSTS INDUSTRY**--Urumqi, 19 Apr (ZHONGGUO XINWEN SHE)--Xinjiang industry has scored heartening achievements in the first period of this year. The total output value for industry during this period was up by 9.41 percent over the same period last year and profits handed over to the state increased by 142 percent. With light industry accounting for 50.98 percent of the total industrial output value, this is the first time in 32 years since the founding of the PRC that light industry has surpassed heavy industry in terms of output value. According to statistics, there has been an increase over the same period last year in the production of 55 of the 77 important industrial products included in Xinjiang's plan for this year. The increase has been relatively large in the case of light industrial and textile products, production of which was up by 23 percent over last year. Production of heavy industrial products such as steel, steel products, crude oil and refined oil has also increased by at least 5.3 percent. [Text] [HK200656 Beijing ZHONGGUO XINWEN SHE in Chinese 0724 GMT 19 Apr 82]

HEILONGJIANG LIGHT INDUSTRY--Since the beginning of this year, the first light industrial departments of Heilongjiang Province have paid more attention to economic results than to output and stressed the production of products in short supply. In the first quarter of this year, their industrial output value increased by 38.6 percent and their profits increased by 68.7 percent compared with the corresponding 1981 period. In the first quarter, the production of products in short supply such as sugar, dairy products, beer, blankets and nylon increased 32 to 38 percent and that of knitting wool and soaps increased 60 to 100 percent compared with the corresponding 1981 period. [Harbin Heilongjiang Provincial Service in Mandarin 1100 GMT 25 Apr 82 SK]

WORK CONFERENCE CONCLUDES--The Guangxi Regional Industry and Communications Work Conference concluded in Nanning on 22 April. Over 1,100 persons concerned attended the meeting. Zhou Guangchun and Huang Yun, leading comrades of the regional CCP committee and government, spoke at the meeting. Comrade Qin Yingji delivered a summation. Comrade Qiao Xiaoguang put forward his views on industrial and communications production and work. Comrade (Huang Jia), chairman of the regional planning committee, put forward his views on implementing the spirit of the national industry and communications work conference. The conference stressed the importance of unifying growth rate and economic returns. It noted: the region achieved good results in both growth rate and economic returns in the first quarter, thus proving that the two can be promoted simultaneously. The conference held: "We must seriously study and sum up experiences, to ensure that our thinking and work suit the changed situation. We must study the line, principles and policies formulated by the party since the third plenary session and the series of important speeches of Comrades Chen Yun and Zhao Ziyang on economic work. We must have a clear idea on the fundamental issues of guiding ideology for socialist economic construction." The conference held: "Our products must meet market needs and sell well. This means, our production is not carried out for the sake of the warehouses and our own units, and still less for the sake of being paid bonuses. It must serve the needs of society and the people." The conference stressed the importance of both protecting and exploiting forest and mineral resources. The conference also called for grasping to the end the struggle to hit at economic crimes. [Summary] [HK240158 Nanning Guangxi Regional Service in Mandarin 1100 GMT 23 Apr 82]

ZHEJIANG INDUSTRIAL OUTPUT--Hangzhou, 15 Apr (XINHUA)--In the first quarter of 1982, Zhejiang Province's industrial output value increased by 13.3 percent and income from sales of industrial products by 14.6 percent, as compared with the 1981 first quarter. In the first quarter of this year, the state-operated industrial enterprises in Zhejiang earned 12.5 percent more profits and turned in 6.9 percent more profits to the state than in the first quarter of 1981. [Beijing XINHUA Domestic Service in Chinese 0123 GMT 15 Apr 82]

JILIN COMMUNE-RUN INDUSTRY--The output value of Jilin Province's commune and brigade-run industry for the 1982 first quarter was 108.6 million yuan, up 37.6 percent over that in the corresponding 1981 period. The quarterly profits were 16.92 million yuan, overfulfilling the profit plan by 8.3 percent. This is a 34.2 percent increase over the 1981 figure. [Changchun Jilin Provincial Service in Mandarin 1100 GMT 21 Apr 82]

FUJIAN INDUSTRIAL OUTPUT--In first quarter of 1982, Fujian Province's industrial output value increased by 12 percent and its state-operated industrial enterprises earned 14 percent more income from sales and turned into [the] state 15 percent more profits, as compared with 1981 first quarter. [OW181103 Beijing Domestic Service in Mandarin 1600 GMT 10 Apr 82]

GANSU INDUSTRIAL PRODUCTION--Industrial enterprises in Gansu Province have achieved good economic results in modifying equipment and creating new technology. In 1981 the province fulfilled 127 key industrial technological transformations. In the meantime, the province had an additional 22 million yuan worth of fixed assest and 134 million yuan of output value. [SK232225 Lanzhou Gansu Provincial Service in Mandarin 1125 GMT 22 Apr 82]

HEBEI FIRST QUARTER INDUSTRY--In the first quarter of this year Hebei Province achieved good results in developing its industry. Its total industrial output value for the quarter increased by 9.6 percent over the same period last year. The total value of industrial output produced by state-owned enterprises during the first quarter increased by 8.5 percent, that by collective enterprises increased by 14.6 percent and that by joint venture enterprises increased by 62.5 percent. All the prefectures and municipalities except Chuangzhou Prefecture increased their industrial output value by a percentage ranging from 6.2 percent to 22.5 percent. The province succeeded in producing more than 24 percent of the year's planned output targets for 64 of 100 kinds of its major industrial products. The total industrial output value of the textile and light industries for the quarter increased by 15.1 percent and that of heavy industry increased by 4.9 percent. The output of coal increased by 7.5 percent and that of electric power by 4.2. The total output value of the machine-building industry increased by 23.5 percent and that of mechanical products for farming increased by 42.3 percent. The Shijiazhuang railway subbureau carried 9.1 percent more tonnage of goods than in the same period last year and the total tonnage completed by other local transportation departments rose by 27.5 percent. The total profits earned by the enterprises that were included in the local budget during January and February increased by 8.48 percent over the same period last year. The amount of profit in these 2 months increased by 15.44 million yuan. The total comparable costs of products dropped by more than 1 percent. One hundred and twenty-nine less enterprises than in the same period last year incurred losses. The total amount of losses incurred by the enterprises that have debit balances in their profit and loss account during the first 2 months this year was 20 percent less than that in the same period last year, which meant 11.74 million yuan less. The average profit ratio of the province's products increased by more than 14 percent. The average labor productivity in state-owned enterprises increased by 7.8 percent. Timber consumption for production of each 10,000 tons of coal dropped by 8 percent, resulting in conservation of 4,483 cubic meters of timber. [HK190837 Shijiazhuang Hebei Provincial Service in Mandarin 0400 GMT 7 Apr 82]

CSO: 4006/428

## CONSTRUCTION

### PRC COMMENDS OUTSTANDING CONSTRUCTION UNITS

OW231118 Beijing XINHUA Domestic Service in Chinese 1500 GMT 22 Apr 82

[Text] Beijing, 22 Apr (XINHUA)--Five organizations, including the State Capital Construction Commission and the All-China Federation of Trade Unions, held a joint meeting today to commend advanced construction units for completing more all-round outstanding construction projects in Beijing, Tianjin and Tangshan during 1981.

In total, 130 units were commended at the meeting. The construction projects completed by these units were good in quality, short in construction time and outstanding in economic results. They were generally praised by the users. For example, in 1981 the Handan Municipal No 2 Construction Engineering Company built "all-round outstanding houses" with a total floor space of 130,000 square meters in Tangshan. Some of the houses were completed in only half the time required for the completion of similar housing projects in other areas. In last year the Beijing Municipal No 6 Construction Engineering Company carried out the practice of "taking the users into consideration in designing the houses, holding themselves responsible to the users in the course of construction and satisfying the users in the use of the houses." All the houses completed by the company in that year, a total floor space of 250,000 square meters, met the requirements for building "all-round outstanding" houses. The Tianjin Municipal No 2 Construction Engineering Company and other units completed nine all-round, outstanding buildings with a total floor space of 140,000 square meters in 1981. With full confidence of their quality, the department concerned waived the procedure of inspection for 84 residential units in the buildings.

Regarding these advanced units as a good example, Beijing, Tianjin and Tangshan have launched a vigorous campaign to complete even more "all-round outstanding housing projects" and scored new achievements every year. During 1981, houses with a total floor space of 12.6 million square meters were completed in the three cities, marking an increase of 6.4 percent as compared with the total floor space completed in 1980. There were 1,966 "all-round outstanding" houses with a total floor space of 4,337,000 square meters, accounting for one-third of the total floor space completed in 1981 and registering increases of 11.2 percent and 16.7 percent respectively as compared with figures in 1980.



In order to further develop the campaign of completing even more "all-round outstanding" houses, the meeting called on all construction enterprises to learn from the Handan Municipal No 2 Construction Engineering Company in strengthening their basic work, promoting quality control in an all-round manner, improving economic results and making fresh contributions to the four-modernizations program.

CSO: 4006/427



## CONSTRUCTION

### 'SICHUAN RIBAO' COMMENTS ON DUPLICATE CONSTRUCTION

HK280845 Chengdu SICHUAN RIBAO in Chinese 20 Apr 82 p 1

[Commentator's article: "Stop Blind Development and Duplicate Construction"]

[Text] In recent years, in the further readjustment of the national economy in our province, a number of capital construction projects have been suspended or postponed. But in certain fields, some new projects outside the state plan have again been blindly started. At present, this practice has still not been completely stopped. This matter calls for our serious attention.

Improving economic returns is the basic starting point in considering all future economic problems of ours. Blind development and duplicate construction serves only to dissipate valuable resources. It is a waste of money. It is a drain on the limited energy supply and a claim on raw materials otherwise used for fine-quality products and on the market for the latter. It affects national income. As far as the whole situation is concerned, the practice is a matter of big waste and low yields. For example, the small silk mills newly set up in our province are mostly poorly equipped and technical backward. The reeled silk thread is of poor quality, but a claim has been made on raw material for large silk mills. Also, for the manufacture of thin paper, over 300 enterprises have cropped up throughout the province. Output has exceeded market needs by two-thirds, forcing large and medium-sized paper mills to cut down on production and causing a 50 percent drop in taxes on every 100 yuan worth of fixed assets of the paper industry under the first light industrial system of our province in 1981, compared with 1979. Moreover, energy and raw material consumption on the part of small factories of this kind is generally high. If not stopped, the tendency toward blind development will seriously affect economic returns, causing an imbalance in the national economy.

There are many causes for blind development and duplicate construction. As far as macroeconomics is concerned, the main factors are poor management, ineffectual management and unscientific management. Sometimes, things are carried so far that the responsibility for exercising control, making readjustments and seeking a balance is ignored. Only after "a ship has been made out of wood" with everything fixed, is a half-hearted attempt made to pin the blame on blindness where microeconomics is concerned. As far as the ideological style is concerned, the main factor is that the practice of many years of

not respecting science, not taking a down-to-earth approach and not doing things according to our capability and doing everything all at once without regard to consequences has not been basically eliminated. As far as micro-economics is concerned, the main factor is that departmentalism, decentralism, the trend toward liberalization, and so forth, have developed among certain areas, certain units and certain comrades. All these problems must be gradually solved. While continuously enlivening the economy, we must strengthen efforts toward centralization and unity and take effective measures to stop the practice of blind development and duplicate construction.

First, we must strengthen planned management and efforts toward a comprehensive balance and tighten up control over the power to examine and approve proposed projects. Any investment in fixed assets of a productive nature from any source must be included in unified plans for the national economy. A project started must be approved by those vested with the proper power. For any project of any size which is newly built or which involves expansion, or transformation by tapping potential, a blueprint must be submitted to the provincial planning committee for approval, where a balance between energy and production, supply and marketing must be achieved, as far as the province is concerned. We must resolutely uphold the State Council's stipulation that "no leader fix a project on his own responsibility." Those people who freely approve projects without regard to the overall interests of the state and without conducting feasibility studies must be held responsible economically.

Second, the departments concerned must seriously look into the projects in progress and those of a productive nature put into operation in the past 2 years (including those which involve transformation by tapping potential), doing so in light of the readjustment of the national economy. Those projects which fall into the category of "12 kinds of projects which are not allowed," as stipulated by the state, must be resolutely suspended. Those which have already been completed must change their production plans or stop production, where they compete with advanced, old and large factories for energy, for raw materials and for a market and where they have been no fixed arrangements for production, supply and marketing. Concerning the development of the light and textile industries, we must direct vigorous efforts toward improving quality and increasing variety. Where production capacity must be expanded, we must make overall arrangements and seek an increased production capacity chiefly through reorganization according to specialization.

Third, we must respect science and strictly act according to the procedures for construction. Concerning those technical transformation projects, small capital construction projects and collectively owned projects where no procedures and no stipulations can be followed, various departments in charge must work out construction procedures as quickly as possible in light of their own particular features. In future, for those projects which have not been approved by the relevant organs, banks must not grant loans or allocate funds, construction units must not commit themselves, and industrial and commercial administrative organs must not issue business licenses.

We must promote proper guiding thought for economic work among cadres at all levels and study all problems with the improvement of social economic returns

in mind. By setting forth facts and reasoning things out, we must enable those comrades in the economic work departments to fully realize the harm of blind development and duplicate construction. We must make them understand that if things are allowed to go on this way, the end result will be extremely harmful to the state and to themselves. We must firmly foster the idea of coordinating all the activities of the nation like pieces in a chess game, and set straight the relations between the overall interests of the state and local interests. We must uphold the guideline of taking the planned economy as the primary factor and regulation by market mechanism as the subsidiary one. Economic departments and enterprises must take comprehensive economic returns as the starting point and ultimate aim of production and business activities.

CSO: 4006/427

## CONSTRUCTION

### LUANHE WATER TO BE DIVERTED TO TIANJIN

OW221401 Beijing XINHUA in English 0814 GMT 22 Apr 82

[Text] Tianjin, 22 Apr (XINHUA)--More than 30,000 builders are working day and night at the construction site of a mammoth project to divert water from the Luanhe River to Tianjin, which has suffered from acute water shortage for years.

Tianjin, the biggest industrial center in north China, expects to receive an annual supply of 1,000 million tons of water beginning as from the end of 1982, municipal authorities told XINHUA. The number of workers taking part in the construction of the water-diversion project is expected to reach 100,000 when the construction is geared into full swing at the fall of this year.

Work will soon finish on the Panjiakou reservoir designed to store 2,930 million cubic meters of water from the Luanhe River, which originates from northern Hebei Province. Water will then be diverted to another reservoir 30 kilometers down the Luanhe River. From the Daheiting reservoir, the second reservoir, water will be led through a 9.7 kilometer tunnel through a branch of the Yanshan Mountains to empty into the Li River. A 65 kilometer section of the Li River will be dredged and a 130 kilometer canal dug to send water ultimately to Tianjin.

The water-diversion tunnel will be the longest in China, according to municipal authorities. The tunnel, which is designed to allow a water flow of 60 cubic meters per second, will involve 600,000 cubic meters of earthwork and 860,000 cubic meters of stonework.

Premier Zhao Ziyang inspected the dam site of the reservoir in Qianxi County, Hebei Province, on October 1 and 2, 1981. Construction of the reservoir began in 1975. While designed to store water from the Luanhe River, the reservoir will be fitted with four electric power generating units with a combined capacity of 450,000 kilowatts.

With an urban population of more than 3.5 million, the Tianjin municipality used to depend on the nearby Miyun reservoir in Beijing for water. The water table in the Miyun reservoir dropped drastically due to serious droughts that had hit north China for years in a row. In view of the inability of Miyun reservoir to supply Tianjin, the State Council last year decided to divert water of the Yellow River to Tianjin and endorsed the [as received] Luanhe River water diversion project.

CSO: 4020/124

## CONSTRUCTION

### BRIEFS

SHAANXI HOUSING INVESTMENT--Since the 3d plenary session of the 11th CCP Central Committee, Shaanxi Province has invested 887 million yuan in urban housing and residential houses on 6.236 million square meters have been completed. The amount of investment in nonproduction construction, such as culture, education, public health, urban construction and residential houses for the households of staff and workers, over the past 3 years has been greater than the previous 3 years and accounts for 32 percent of the total amount of investment in capital construction in the same period. The amount of investment in housing accounts for more than half of the nonproduction investment. The area of new houses completed over the past 3 years is equal to 1/3 of the total area of residential houses for staff and workers in the 29 years from 1949 to 1978. [HK240309 Xian Shaanxi Provincial Service in Mandarin 0500 GMT 23 Apr 82]

CSO: 4006/427

## DOMESTIC TRADE

### JIANG YIZHEN ON COMBATING ECONOMIC CRIMES

HK300757 Shijiazhuang Hebei Provincial Service in Mandarin 0400 GMT 22 Apr 82

[Text] On the evening of 19 April, the Hebei Provincial CCP Committee convened a telephone conference of secretaries of the CCP committees of prefectures, municipalities and counties, responsible persons of the departments concerned and responsible comrades of all departments, committees, offices and bureaus directly under the provincial authorities. The conference demanded that the CCP organizations at all levels earnestly study the decision made by the CCP Central Committee and the State Council on dealing blows at serious crimes in the economic field, enhance ideological understanding and grasp tightly the ideological weapons so as to deeply carry out the struggle against serious economic crimes in our province.

Jin Ming, first secretary of the provincial CCP Committee presided over the conference. On behalf of the provincial CCP Committee, Second Secretary Jiang Yizhen made a speech at the conference.

In his speech, Comrade Jiang Yizhen said: At present, the struggle against the criminal economic activities is developing step-by-step in our province. Over the last 3 months and more, all prefectures, municipalities and counties and all units directly under the provincial authorities have handled a certain number of cases. They have already made breakthroughs in some complicated cases, and some long pending cases are now being solved. Some economic criminals, who have committed crimes of a grave nature, have been shaken and frightened. Unhealthy tendencies have begun to be curbed. As the struggle has gone deeper, a certain number of economic criminals have recently confessed their criminal offences and given themselves up. Initial results have been gained in the struggle.

However, we must see that the struggle against economic crimes is only just beginning in our province. People have not been fully aroused ideologically. Some leading comrades of the CCP Committees at various levels still lack sufficient understanding of the harmfulness of serious economic crimes as well as the necessity and urgency of waging this struggle. Some still have misgivings of various kinds about this struggle. They have not yet treated the struggle as one of the central tasks. Measures taken are not effective enough. Investigation and handling of criminal cases are proceeding a bit slowly. In order to seriously implement the spirit of the documents issued by the central



authorities and the important decision made by the CCP Central Committee and the State Council and in order to deeply and unremittingly carry out the struggle against economic crimes throughout our province, we must do a good job in the following work:

1. We must seriously study documents and arouse people ideologically so as to enhance ideological understanding. The decision made by the CCP Central Committee and the State Council is a programmatic document to guide us in fighting against serious economic crimes and against corruption and degeneration. It scientifically explains the nature and importance of this struggle and explicitly puts forth the focal points, principles and policies of the struggle. The decision made by the NPC Standing Committee on severely punishing the criminals who do great damage to the state economy is the legal weapon with which we can wage this struggle. On the basis of the preceding study, we must continue to earnestly study and understand well the decision, taking it as a ideological weapon to enhance our thinking. First of all, the responsible comrades of all CCP Committees at the provincial, prefectural, municipal and county level and of all CCP groups of provincial organs should spend a concentrated period of time earnestly studying the two decisions and other relevant documents issued by the central authorities. They should link the study with their thinking and the present state of serious criminal activities in the economic field, hold serious discussions on the two decisions and adopt measures to implement them. At the same time, they should arrange well study among party members, cadres and the masses. Through study and discussions, all party members and cadres must further realize the gravity, harmfulness and perils of the criminal activities in the economic field. They must be fully aware of the necessity, urgency and protracted nature of waging the struggle against corruption and degeneration. They must understand well the principles, policies and measures set forth by the party for the struggle. They must change their attitude of ignoring and being indifferent towards the gravity of the criminal economic activities. They must overcome all kinds of misgivings, indecisiveness and fear of difficulties in waging this struggle and fill themselves with confidence for victory.

In the course of studying the two decisions, special attention must be given to getting rid of two kinds of misgivings in the minds of some party members and cadres. One of the misgivings is that the struggle will hamper the development of socialist construction. This viewpoint is wrong, because these criminals are sabotaging socialist construction. The nature of our struggle against them is to safeguard socialist construction. Only by resolutely waging this struggle, can we ensure that our construction can advance along the socialist path. Therefore, dealing blows at serious economic crimes is in fact an important guarantee for us adhering to the socialist road. The other misgiving is that dealing blows at serious economic crimes will bring about some adverse affects to the policy of opening up to the outside world and enlivening the domestic economy. This viewpoint is also wrong. Owing to internal and external factors, we are now pursuing a policy of opening up to the outside world and enlivening the domestic economy. This will inevitably lead to a struggle between capitalist ideological corrosion and socialist ideological opposition to corrosion. Therefore, we must combat corruption and degeneration while we are carrying out this policy. There are no discrepancies between the two. Dealing blows at

criminal economic activities is precisely aimed at correctly carrying out this policy. We should not neglect, slacken our effort or even dare not wage this struggle because of the pursuing of this policy. On the other hand, we should not let our wills be shaken in implementing this policy which has been proved correct by practice, due to waging this struggle. In particular, we must observe that there still exists many influences of leftist ideology in our economic construction. There are still plenty of people who are suspicious of and even negate the policy of opening up to the outside world and enlivening the domestic economy. Hence, we must be vigilant against turning back and must forestall a stifling of our economy, which has just been enlivened. We must prevent a set of leftist stuff being taken out again to oppose the line set forth by the 3d plenary session of the 11th CCP Central Committee. [Words indistinct] provincial CCP Committee demanded that the leading [word indistinct] the CCP committees at all elvel carry out the following action:

- 1) They must guarantee, by using the party spirit, to implement the directives and decisions made by the central authorities;
  - 2) They must vigorously and speedily investigate and deal with all serious economic crimes existing in their districts and units;
  - 3) One who has himself committed economic criminal offenses must take the initiative to admit and confess to the party organizations;
  - 4) If their children or relatives have committed economic criminal offenses, they must place uprightness above family loyalty and actively support and assist the departments concerned which are in charge of investigating and dealing with these cases. They should by no means harbor them and give any unprincipled protection.
2. We should strengthen leadership and reinforce the organs which are engaged in investigating and dealing with economic criminal cases.
  3. We should concentrate our energy on investigating and handling the big and important cases in an earnest way.
  4. We should correctly grasp the policies and strictly handle all matters according to law.

In his speech, Comrade Jiang Yizhen concluded by pointing out: dealing blows at serious economic crimes is one of the great motive forces in giving impetus to the development of industrial and agricultural production and in guaranteeing the smooth progress of all work. Accelerating the development of production represents the fundamental hallmark for the victory of the struggle. At the same time, we must recognize that dealing blows at serious economic crimes is one of the most practical and effective measures in the present conditions for rectifying the party and its work style. Purging a small number of economic criminals from leading bodies of the party is one of the contents of straightening out and purifying the leading bodies. At the same time, it will also be helpful to the work of clearing the "three types of persons" out of the leading bodies, because some of the "three types of persons" also committed economic crimes. Through the struggle against criminal economic activities,

we hope all members of our party with their concerted efforts purify our party's organizations, bring about a greater improvement in the party's work style, and the social mood and order of our province and accelerate a greater development in industrial and agricultural production and all fields of work.

CSO: 4006/428

## DOMESTIC TRADE

### INDUSTRY CONFERENCE DISCUSSES ECONOMIC CRIMES

HK261326 Guangzhou Guangdong Provincial Service in Mandarin 2350 GMT 25 Apr 82

[Text] The comrades who are attending the Guangdong Provincial Conference on industry and communications, which is being held in Foshan Municipality, recently discussed what effect the current struggle against serious criminal activities in the economic sphere will have on developing production and enlivening the economy. They had two completely different views on this issue. Some comrades held that in waging this struggle, policies cannot be successfully implemented and production cannot be promoted. They were therefore laden with anxieties and lack confidence to promote production. However, the great majority of comrades held that in waging this struggle, only crooked ways are being curbed but honest transactions are being promoted. Obstacles to developing production and enlivening the economy will be basically eliminated. Enterprises which have the ability can freely work and give play to their potential with their masterly skills.

At the conference, they cited many facts to clearly explain that unhealthy trends in the economic sphere will greatly sabotage production. Last year, a purchasing agent went to a factory in Shaoguan Municipality to place an order for 100,000 ceiling-fan poles. He openly demanded a commission of 8 fen per pole. The factory did not agree and failed to get this order. As this factory did not have sufficient work to do, it incurred a loss of several ten thousand yuan that year. This kind of incident is not rare. This unhealthy trend not only corrupts many cadres but also protects backward enterprises and strikes blows at advanced enterprises.

While we are waging a struggle against serious criminal activities in the economic sphere and putting a stop to crooked ways and unhealthy trends, enterprises which have the ability to compete can display their skills to the full. Enterprises whose products are not marketable, are inferior in quality and have high prices must strengthen management, improve technology and improve the quality of their products. This will be of significance in making enterprises strengthen management, tap potential and acquire masterly skills and in raising the industrial production level.

Since the struggle against serious criminal activities in the economic sphere was waged, some comrades have worried about carrying out economic activities

with foreign countries and have not been bold enough to carry out these activities. The comrades at the conference conducted a stormy discussion on this issue. The majority of comrades held that implementing the open-door policy is a firm policy of the party and will not change. However, the guiding ideology and method of some of our comrades in respect of economic activities with foreign countries must change. The desire to profit handsomely from foreign dealings must be transformed into a commitment to developing production and enlivening the economy.

CSO: 4006/428

## DOMESTIC TRADE

### BRIEFS

JILIN MARKETING NETWORK—Siping Municipality in Jilin Province has consolidated and improved the marketing network of industrial goods since last April. It has taken various steps to promote sales of industrial goods and dispose of stockpiled goods. Sales of industrial goods in the first quarter of 1982 totaled 88.42 million yuan, up 40.5 percent over the corresponding 1981 period. It disposed of stockpiled goods worth 11.38 million yuan, reducing 36.4 percent of capital made idle due to overstocking. [SK260814 Changchun Jilin Provincial Service in Mandarin 1100 GMT 25 Apr 82]

CSO: 4006/427



## FOREIGN TRADE

### ADJUSTMENTS MADE TO EXPAND ELECTRIC MACHINERY EXPORTS

Kunming YUNNAN RIBAO in Chinese 5 Feb 82 p 1

[Article by Zhu Guohua [J61] 0948 5478]: "There Are Advantages in Combining Industry and Trade, Expanded Exports Earn Foreign Exchange: A New Breakthrough in Export of Yunnan's Electric Machinery Products"]

[Text] Yunnan machinery industry has adopted the form of combining industry and trade to expand electric machinery exports, which has promoted an increase in the level of production technology in Yunnan's machine industry and earned more foreign exchange for the country.

Beginning in 1980 there was a big breakthrough in Yunnan's electric machinery exports, and the supply of goods for export increased to over 8 million yuan in 1980 over 2 million yuan in 1979. To expand the market further, the Yunnan Machine Industry Department actively developed the combination of industry and trade, closely linking Yunnan's Machine and Equipment Export Company with the factories so that the factories became a base and backup for the company to expand trade abroad. The company became a bridge, a link between the factories and foreign markets. In making contact with foreign business, the company not only accepts export orders for the factories, but also can promptly communicate to the factories the needs of the international market and opinions of product users so that the factories can promptly improve the product and develop new products which are suited to the market. Thus promoting the development of production. The Wangxi Machine Tool factory used to produce a lathe that was not much in demand on foreign markets, but after the company understood this situation, it helped the factory select a lighter, smaller model which would work small parts and made some changes in line with the demands of foreign businesses, so that one business placed an order for 10 at one time and another foreign business asked that one be sent to his country for exhibit. The Kunming Milling Factory and the Yunnan Machine Tool Factory have also paid close attention to the demands and opinions of foreign buyers and have improved and developed products on the basis of need.

At the request of foreign buyers, the Yunnan Machine Tool Factory enlarged the copying rule, spacer, bullnosed tool rest and crumb guard of the Cyl6"B lathe it produces, which broadened its range of use and improved its adaptability, and it has been exported to 12 countries. Last year there were 31 categories and 86 kinds of electromechanical products sold by the province to 32 countries and regions. The supply of goods exported was 26 million yuan, a 2.2-fold increase over 1980. This year, Yunnan has already signed contracts for electromachinery exports worth over 20 million yuan.

## FOREIGN TRADE

### CONSTRUCTION IN SHENZHEN SPECIAL ECONOMIC ZONE DISCUSSED

Guangzhou NANFANG RIBAO in Chinese 28 Jan 82 p 1

[Article by correspondents You Yanling [3266 7159 0407] and Li Tongbo [2621 6639 3134]: "Special Policy and Flexible Measures Daily Increase Appeal to Foreign Traders; Large-Scale Economic Construction Launched in Shenzhen"]

[Text] Large-scale construction is underway in the special economic zone in Shenzhen, and after two years of work, a new modernized city is rising.

Today, all one has to do is enter Shenzhen and one can see small cars and vans from all over the world hurrying back and forth; large numbers of bulldozers, graders and heavy trucks drive past in a never-ending stream, razing hills to fill in the sea and level the land; on both sides of the broad highways which connect the new city districts with the old, there are row upon row of scaffolding, and tall buildings and factory buildings are rising out of the ground.... The responsible person of the special economic zone told us about the zone. The special zone's attraction for foreign traders is increasing daily, and the pace of construction is growing.

According to incomplete statistics, up to the end of last year, over 2,500 people from businesses and governments of over 30 regions and countries had come to Shenzhen's special economic zone to observe and discuss business, and this has already led to nearly 1,000 foreign commercial investments projects with a gross planned investment of over 7.77 billion Hong Kong dollars. Last year, 413 projects were brought in with a planned investment of 6.1 billion Hong Kong dollars, making up 78 percent of the total investment. Forty-four of these projects represent an investment of more than 1 million Hong Kong Dollars, and 12 are above 100 million Hong Kong dollars. In the latter half of last year, in particular, results of the effort to attract foreign investment were encouraging, i.e., enormous investments and broad development. From the medium and small-scale foreign traders engaged in processing and assembly using materials and parts imported for that purpose in the early period, there are now large consortiums and large enterprises employing rather advanced technological facilities. For example, most recently, Mr Hu Yingxiang [5170 2019 3276] of the Hehe Corporation of Hong Kong signed an agreement with us for 2 billion Hong Kong dollars to develop cooperatively 30 square kilometers and build a new district of Shenzhen centered on commerce, complete with business, housing, education and culture,

public health services and with municipal government facilities, railways, highways and sea transport linked together. The Liancheng Corporation of Hong Kong has also signed a 2 billion Hong Kong dollar agreement with us to jointly develop a 6-square-kilometer scientific education district in Houhaiwan and a 260,000-square-meter light and electronics industry area on the eastern side of Wenjindu.

Large-scale construction of the entire Shenzhen special zone has already begun. Last year, the amount of capital construction investment in projects which were completed in the city was 147 million yuan, over 300 projects were started, the area of construction was 780,000 square meters, and the area of construction completed was 450,000 square meters; the investment completed and the area of construction completed were both equal to the sum total of those for the past 3 years. Basic construction in the special zone is progressing as planned. Among the projects, the first one started was the 1.6-square-kilometer Lohu area. Here construction is planned for nearly 100 buildings of 18 stories or more, at an investment of nearly 3.8 billion Hong Kong dollars over a construction area of 2.4 million square meters; construction of the basic projects of water supply, electricity supply, drainage, telecommunications, gas, highways and sewage are already all underway; construction has already begun on a special zone telecommunications building and on 10 high rises, including the International Commercial Hall, the Lohu Hall and the Friendship Palace. To meet the needs of this large-scale construction, with the vigorous support of some departments of the Central Committee and some provinces and cities, over 200 engineers, nearly 60 construction units and over 30,000 construction workers have been temporarily transferred from outside areas.

In the process of stressing economic construction, the Shenzhen special zone, in line with the principles of retrenchment and greater effectiveness, has actively carried out reform of the organizational structure and economic management system. For example, there used to be 65 administrative units above bureau level, but now, apart from 36 administrative units which were retained, the others have been eliminated; some were combined and some were turned into economic organizations. Under the leadership of the municipal committee and government, it has been decided that the Special Zone Development Company will combine administration of developing special zone land and real estate management, and will carry out the important projects. At the same time, a new Lohu District Committee and People's Government were set up to take responsibility for municipal management within the special zone, and the Bao'an County organizational system was restored to administer the villages of Shenzhen which were not in the special zone. Through such reform, a swollen leadership system and managerial agencies and the defects of too many administrative levels have been initially overcome, creating conditions for raising work efficiency. At the same time, many enterprise units by combining the specific situation of the special zone have carried out courageous pilot reforms in personnel systems, labor wages, and management and have begun to get encouraging results.

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CS0: 4006/533

## FOREIGN TRADE

### FUJIAN USES IMPORTS TO BUILD UP EXPORTS IN TEXTILE GOODS

Fuzhou FUJIAN RIBAO in Chinese 19 Mar 82 p 2

[Article: "'Utilizing Imports To Develop Exports'" Breaks New Paths, Textile Goods Exports Increase Rapidly; Fujian Textile Goods Exports Last Year Generated Over 70-fold Increase Over 1979 and Creates High Grade Goods With Ability To Compete in International Market"]

[Text] Last year Fujian textile goods exports to 14 countries and regions created \$6 million in foreign exchange for the nation, an increase over 1979's total of \$76,000 or an increase of over 70-fold and created some high grade goods with the ability to compete in the international market. A new path has been opened for Fujian to implement the special zone policy and flexible measures, to launch a campaign "using imports to develop exports" and to develop textile goods exports.

Last year some comrades said that Fujian was an area that had to import "cotton, cotton yarn and cloth" and was not suited for developing textile goods exports. But the Textile Goods Exports Company felt that the market in textiles internationally was very broad and that its proportion of the gross world export trade was very big, reaching about \$100 billion annually. Fujian has the conditions for developing textile goods exports. Implementing the special zone policy and the flexible measures is one of the basics and in addition, Fujian has a certain textiles foundation and technical ability. According to statistics, Fujian textile enterprises number over 30 and many textile mills have moved from Shgnahi, so there is great potential for producing export textile goods. Expanding textiles to produce exports will require little investment, will show quick results and will yield great returns. The problem of insufficiency of raw materials can be solved through "using imports to develop exports." This is an effective method in those world countries and regions which have developed textile goods exports, but do not produce the raw materials. Last year, the fact that the Fujian Textile Goods Export Company spent \$2.42 million to import some raw materials, processed them into textile goods exports and, after paying off principal and interest, earned \$1.3 million in foreign exchange is future evidence.

In a hosr time the Fujian Textile Goods Export Company could advance Fujian's textile goods exports into the international market and begin to earn a reputation. Their experience is one of positive attitude, flexible measures



and a pledge of "diligence." They include the "four diligents". One is to be diligent in looking into commercial information. They feel that this is the primary issue in expanding textile goods exports. They have collected a variety of materials through various channels, have analyzed market changes and trends, and promptly supplied mills with the commercial information collected, up-to-date domestic and foreign samples, specimens, and materials, and stressed research and development, so that production and exports could be expanded. For example, Fujian's clothing industry used to be backward and the varieties of goods were dull and styles were outdated. They supplied the production departments with a lot of materials for study and innovation and quickly got Fujian clothing into the international market. Last year exports increased more than 7-fold over the year before last. Clothing produced in Xiamen and Anxi has been well received in the US market. This year another contract has been signed between Fuzhou and foreign business to import raw materials to be made into clothing with a volume of up to \$1.5 billion. Second is to be diligent organizing sources of goods. Without an ample supply of goods for export to satisfy needs it is impossible to speak of rapidly developing textile goods exports. Last year Fujian's textile goods purchases were over 24 million yuan an increase of 152 percent over the previous year. The two kinds of goods we used to export increased to 17; 94 percent of the agreements for knitwear was satisfied. To ensure an abundant and stable supply of textile goods for export, they have expanded the textile goods export base through an alliance of industry and trade. For example, foreign trade investment of 1.5 million yuan combined with investment from the Quanzhou Textile Mill expanded the mill, adding 200 broadlooms which after going into production can supply over 5 million meters of broadloom exports. Third is to be diligent in marketing the products. Last year, in addition to participating in the spring and autumn trade fairs, we also participated in 4 small scale trade fairs and chose our customers carefully taking the initiative to hold export talks, so that we concluded contracts worth \$12.98 million. They also organized people to go to Hong Kong and Mexico to solicit business and opened new markets. They marketed both high and medium grade good selling products as well as the excess product of Fujian's productive ability. Through marketing last year, the volume of exports of towelling increases sharply to put Fujian in third place nationally, after Shanghai and Beijing. Four is to be diligent about resolving problems. Last year, Fujian set for this mill an export plan of \$2.5 million, but the raw materials allocated were only enough to supply production of export textile goods worth \$1.62 million. Without waiting or worrying about difficulties they went ahead and actively organized raw material supplies to complete their export plan. They engaged in "using imports to develop exports" and finally completed their annual export plan by 113 percent. Variety of goods has increased with the expansion of textile goods exports but the equipment in some mills was not suited. They helped the changfang [0617 2455] bring in some advanced technology and add some necessary new equipment. For example, the Quanzhou Handkerchief Mill brought in 50 jacquard looms, the Nanping Knitted Goods Mill and the Fuzhou Knitted Goods Mill also brought in over 40 pieces of equipment including knitting dayuanji [1129 0955 2623], double-knit machines and button sewing machines through compensatory trade.

Fujian's textile goods exports' beginning has been good and the potential is still great. But it should be noted that there are still problems in textile goods exports now that urgently need to be solved, such as the fact that there are many low grade and few middle and high grade goods among exported textile goods. In particular, a group of "first" goods which are reliable and generate a high foreign exchange return has not yet taken shape and in implementing special zone policy and flexible measures there are still some areas where there are insufficient special zones and flexibility. If we can further liberate our thinking, rouse our spirits, go all out and rapidly as possible fully utilize favorable conditions, concentrate our strength on rapidly building a textile goods export base, organize a group of special plans for advanced textile goods exports, further reform the structure of textile goods exports, to raise the competitive ability of our textile goods in the international market Fujian's textile goods exports can make a great leap forward.

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CSO: 4006/396



## FOREIGN TRADE

### BRIEFS

HEBEI EXPORT COMMODITY BASES--Shijiazhuang, 18 Apr (XINHUA)--Hebei Province has increased production of export commodities at a rate of 40.5 percent annually since 1978, and the value of exports went over 760 million U.S. dollars in 1981, according to the provincial foreign trade bureau. This growth was a direct result of setting up new production bases for export commodities. Since 1976, the province has put more than 45 million yuan into construction of multi-product bases at Zhangjiakou and Shijiazhuang. Meanwhile, provincial foreign trade departments have invested upwards of 140 million yuan in a number of factories producing for export and helped them import advanced equipment and technology. Hebei is also setting up some single-product bases for beef cattle, chestnuts, apples and goatskins. The province purchased about 200 million yuan worth of products from these bases in 1981. [Excerpt] [OW181303 Beijing XINHUA in English 0742 GMT 18 Apr 82]

CSO: 4020/121

## LABOR AND WAGES

### STATE STRENGTHENING LABOR PROTECTION FOR WOMEN

OWO30227 Beijing XINHUA in English 1200 GMT 30 Apr 82

[Text] Beijing, 30 Apr (XINHUA)--Women workers in China are usually not assigned to do heavy work but are matched with jobs according to their physical abilities, said Wu Lan, director of the women department of the All-China Federation of Trade Unions in an XINHUA interview today.

There are now 39.35 million women working in state and collectively-owned factories and enterprises, accounting for 36 percent of the total work-force, according to this 60-year-old woman director.

Wu Lan said that the State Bureau of Labor, the All-China Federation of Trade Unions, the All-China Women's Federation and the Ministry of Public Health as well as other government departments are in the process of drafting a new national "regulations on protection of women workers" in light of proposals made by women delegates to the National People's Congress and women members of the Chinese people's political consultative conference.

The Mongolian director, who herself served in a cavalry unit in China's war of liberation (1946-1949) and was known for her ability to shoot with both hands, nonetheless emphasized attention on women's physical abilities.

Wu Lan pointed out that during the ten years of the "Cultural Revolution," it was advocated that women should do all heavy labor that men do to prove their equality with men. Hence, all women work units were formed to work on high tension power lines and to operate fishing fleets. "This," she said, "in fact is inequality."

According to the existed rules of the labor insurance regulations, expectant and nursing mothers should not be exposed to toxic substances during these two periods, and should be assigned to lighter work if they experience any difficulties. Factories cannot prolong their working hours. Regulations are also listed dealing with prenatal examination, feeding time and the health care of mothers and children. Pregnant women workers receive regular medical check-up free of charge, and they are provided with free medical treatment

during this time. Women workers receive 56 days maternity leave with full pay. As the state advocates one-child family, some factories and enterprises give half a year leave with full pay to those women giving birth to their only child.

Special rooms for expectant mothers, as well as nursing rooms, have been set up in factories. Feeding mothers can feed their babies twice a day with 30 minutes each time during their working hours, and they are not docked for this time. Babies from the age of 56 days up to pre-school age can be sent to factories nurseries and kindergartens.

Cars are made available by factories for pregnant women and nursing mothers when they go to work and go back home and at meals. Special dishes are provided for them.

For example, many enterprises and factories in China have set up a health-examination card program for women workers. They enjoy free regular medical cervical and breast examinations.

Explaining the role of her department, Wu Lan said that the All-China Federation of Trade Unions would see that factories and enterprises protect women's rights and implement all relative regulations.

"There are many improvements possible in our work and we will work toward that end," she said.

CSO: 4020/124

## LABOR AND WAGES

### PEOPLE'S LIVELIHOOD IN BEIJING IMPROVING

Beijing ZHONGGUO CAIMAO BAO in Chinese 27 Mar 82 p 2

[Article: "People's Livelihood in Beijing Improving and Rising; Increases in Number of Persons Employed and in Workers' Wages"]

[Text] According to a survey of livelihood among 1,200 worker families by the Municipal Statistics Bureau in which consumption in 1981 was compared with that in 1978, there was an increase in food consumption of 27.4 percent, an increase in clothing consumption of 42 percent and an increase in outlay of 47.5 percent. Savings in the city as a whole in February 1982 increased by 90.4 percent as compared to 1978.

Over the past several years, there have been increases both in the number of persons employed and in workers' wages in Beijing City, with improvement and elevation in the people's livelihood being obtained. According to statistics from the relevant sectors, more than 800,000 people have been placed in employment. At present, the worker family support coefficient has fallen to 0.47 persons from 0.68 persons in 1977.

Since the Third Plenary Session of the party, there has been an increase in the number of persons employed as well as a general increase in the number of workers in the city as a whole as the national economy has been readjusted. Last year, there was an increase of 65 percent over 1978 in cash outlays for wages in the city as a whole. In addition to wages, there were also increases in such supplementary forms of income as bonuses and allowances. On the basis of a survey of 1,773 young workers in 48 collective ownership units in the municipal district, it was found that the average monthly income was 54 yuan 4 jiao. Basic wages accounted for 65 percent of this and supplementary income such as bonuses accounted for 35 percent. At present, there is a considerable increase in the incomes of industrial workers. The supplementary income such as bonuses of some industrial workers exceeds 40 percent of their total income. After the reinstatement of such provisions as subsidies for additional teaching, payments for manuscripts and health allowances, there have been increases of differing degrees in the incomes of intellectual elements in universities and specialized institutions and scientific research units and of health system workers. On the basis of a survey of 224 households of workers, it was found that 29.5 percent had average monthly incomes per person of 40 to 50 yuan and that 33 percent had incomes of over 50 yuan. At the end of January of this

year, the average monthly income of 7,565 persons (excluding apprentices) in 6,217 business and industrial households was in excess of 70 yuan. In some cases, it was over 200 yuan. On the basis of a survey of 20 individual households, it was found that in addition to acquiring such expensive goods as furniture, television sets and recorders, they also had average monthly savings per household of 804 yuan.

The increase in workers' incomes has brought about changes in the structure of consumption. On the basis of a survey of living conditions in 1,200 households of worker families by the Municipal Statistics Bureau, last year there were increases in food consumption of 27.4 percent, increases in clothing consumption of 42 percent and increase in personal consumption of 47.5 percent as compared to 1978. The extent of the increases in clothing and personal consumption greatly exceeded the extent of increase in food consumption. This point indicates an elevation in the standard of living of worker families. The increase in food consumption was due primarily to increases in consumption of nonstaple foods and not to increases in staple foods (grains). In clothing consumption, there has been a change from emphasis on cotton textiles to an emphasis on chemical fibers, woolen goods and silk. Personal consumption has involved a change from inexpensive goods to expensive goods. In six units such as the Xidan vegetable market, total sales for the Spring Festival this year increased by 13.7 percent over those for the Spring Festival last year. In the opinion of the concerned commercial departments, sales during the Spring Festival this year had three principal characteristics: rapid sales of goods with high nutrient value and high selling prices such as crab meat, shrimp meat, chicken, fine vegetables and prepared meat products; a large increase in total sales of pastries and fruits; and a 91.5 percent increase in sales of fire-crackers as compared to the same period last year. Over the past several years, television sets, taperecorders and washing machines have gradually become household necessities for workers in Beijing City, with the ratio of dissemination of television sets among worker families reaching over 70 percent.

There has been a rapid increase in savings deposits throughout the city as a whole over the past few years and there has also been a great increase in the amount of cash being held by workers. At the end of 1978, there was a total of over 3.38 million depositors in the city as a whole with a total amount of deposits of over 880 million yuan and with an average deposit per person of 191 yuan. By the end of last year, there had been an increase to more than 5.47 million depositors with a total amount of deposits of over 1.57 billion yuan and with an average deposit per person of 301 yuan. In the first 2 months of this year, deposits increased by 105.6 million yuan, exceeding the highest levels historically for the same period. In February 1982, there was an increase in total savings deposits for the city as a whole of 90.4 percent as compared to 1978.

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CSO: 4006/397

## LABOR AND WAGES

### MORE MONEY ALLOCATED FOR PEOPLE'S LIFE IN XINJIANG

OW261403 Beijing XINHUA in English 1307 GMT 26 Apr 82

[Text] Urumqi, 26 Apr (XINHUA)--The Xinjiang Uygur Autonomous Region has allocated more than 2,800 million yuan in the past three years to improve daily life, a 53 per cent higher per capita expenditure than the average level of the country.

In recent years, minority nationalities have received special attention from the state. Each year the state gives more than 1,000 million yuan in subsidies to Xinjiang to help develop its economy and culture and to improve its people's life.

From 1979 to 1981, the average wages of working people in the autonomous cities and towns increased 175 yuan, 29 per cent higher than that of the three previous years. Welfare supplements, including heating and health subsidies have also been improved.

The investment in residential construction in the past three years amounted to 66 million yuan, a 160 per cent increase. According to incomplete figures, a floor space total of 5.5 million square meters, of residential quarters have been built.

The autonomous region also helped 470,000 people obtain jobs, and allocated 950 million yuan to raising income of peasants and herdsmen by subsidising the state purchasing prices of their products while at the same time reducing agricultural taxes in the past three years.

CSO: 4020/124



## LABOR AND WAGES

### BRIEFS

**JILIN MUNICIPALITY ECONOMIC SITUATION**--The Jilin Municipal CCP Committee, Jilin Province, is conducting propaganda on the economic situation among the broad masses of workers and staff as well as inhabitants in urban areas. At a recent municipal meeting of government functionaries, (Jiang Zhuo), first secretary of the municipal CCP Committee, spoke on the municipality's economic situation. He said: The economic situation and people's livelihood in Jilin Municipality have improved year after year. In 1981, despite many natural calamities, output of grain and soybeans increased 1.3 percent over 1980. The 1981 average income of rural commune members from collective distribution increased 8.9 percent over 1980. In the past 3 years, the municipality has provided jobs for over 200,000 jobseekers and established 11,212 commercial centers. The municipality has built housing with floor space of 1.41 million square meters. [SK232225 Changchun Jilin Provincial Service in Mandarin 1100 GMT 22 Apr 82]

**ZHEJIANG CONSUMER GOODS**--With increase of income, the people in Zhejiang Province are spending more on food and consumer goods. In 1981, total consumer goods retail sales in the province amounted to about 8 billion yuan, up 81.3 percent from the 1978 sales of 4.46 billion yuan. In 1981, a total of 7,566,000 pigs, 2,717,000 poultry and 29,456,000 jin of eggs were marketed in the province while in 1978, only 5,100,000 pigs, 1,918,000 poultry and 18,269,000 jin of eggs were sold. [OW181103 Hangzhou Zhejiang Provincial Service in Mandarin 1040 GMT 14 Apr 82]

**SICHUAN WORKERS' WELFARE WORK**--Since the 3d plenary session of the 11th CCP Central Committee, Sichuan Province has increased the wages of staff and workers of the units owned by the whole people and actively solved the employment problems of their children. The province also has quickly increased the expenses for their labor insurance and welfare work. According to the statistics compiled by relevant departments, the actual expenses of the units owned by the whole people throughout the province last year in labor insurance and welfare work were double those in 1978 and the per capita expenses reached 95 yuan, which was equal to the average wages for 1 and 1/2 months. According to statistics, the expenses for staff and workers who left their employment, retired or died last year was 2.2 times greater than in 1978. [HK220805 Chengdu Sichuan Provincial Service in Mandarin 1100 GMT 19 Apr 82]

NEI MONGGOL MUNICIPALITY LIVELIHOOD--From 1979 to 1981, Jining Municipality, Nei Monggol, employed 14,200 jobseekers. Average income of each worker and staffmember increased from 648 yuan in 1978 to 804 yuan in 1981, an increase of 24 percent. In 1981, Jining Municipality marketed 2,975 televisions, 5 times that of 1978. Sales volume of radios was 9.9 times that of 1978, and that of wristwatches and sewing machines increased by 10 and 37 percent respectively. At the end of 1981, the year-end balance of savings deposits of workers and staff throughout the municipality increased from 7.57 million yuan in 1978 to 18.65 million yuan. Per capita savings deposits were 138.46 yuan. [SK122206 Hohhot Nei Monggol Regional Service in Mandarin 1100 GMT 11 Apr 82]

ZHEJIANG WORKERS' INCOME--Since the 3d plenum of the 11th CCP Central Committee, staff members and workers in Zhejiang Province have earned more income and lived a better life than before. According to statistics compiled by the Provincial People's Bank, 6.02 billion yuan were disbursed during 1979-81 in payment of wages and bonuses. During this period, employment was provided to 730,000 people. By the end of 1981, the number of staff members and workers showed an increase of 550,000 compared with 1978. Bonuses paid to staff members and workers totaled 694 million yuan during these 3 years, averaging 193 yuan per individual. [OW281307 Hangzhou Zhejiang Provincial Service in Mandarin 0400 GMT 25 Apr 82]

JILIN SELF-EMPLOYED YOUTHS--The number of self-employed persons in Jilin Province has increased to 55,600, a nearly six-fold increase over the 1979 level. Since the third plenary session, the province has implemented the party and state policy of broadening the employment roads and solving the employment problem in both urban and rural areas. The number of self-employed persons has increased continuously in the past 3 years. In 1981 alone, some 10,200 youths gained employment by setting up individual commercial entities, up 320 percent over 1980. [Changchun Jilin Provincial Service in Mandarin 1100 GMT 21 Apr 82 SK]

HEILONGJIANG LIVING STANDARDS--According to the work report given by Governor Chen Lei at the meeting of cadres from the Heilongjiang provincial level organs, the province had 34.05 billion yuan in industrial and agricultural output value in 1981, a 12.1 percent increase over the 1978 figure. The output value showed a yearly average increase of 3.9 percent. The per capita purchasing power of both urban and rural people has reached 76.3 yuan over the past 3 years. By the end of 1981, volume of deposits of both urban and rural people in the banks throughout the province reached 1.91 billion yuan, a 51.8 percent increase over the 1978 figure. The province has appropriated 6.9 billion yuan to improve the people's living standard, in which 2.33 billion yuan were delivered to rural areas and 4.57 billion yuan to urban areas. [SK292240 Harbin Heilongjiang Provincial Service in Mandarin 1100 GMT 27 Apr 82]

CSO: 4006/428

## TRANSPORTATION

### BRIEFS

PUBLIC ORDER OF RAILWAY INSPECTED--According to our sources, to end the confused public order on the Tianshui-Lanzhou Railway Line, leading comrades of the provincial people's government and the Lanzhou Railway Bureau recently led a work group to make inspections at major stations and sections along the railway line. Throught observations, the work group contended that poor management is the major problem for the confused public order on the Tianshui-Lanzhou Railway. Therefore, railway departments should cooperate with local counties, communes and the masses to discuss and formulate a public pledge on loving railways, trains and cargo to enhance people's awareness in protecting state property. The work group stressed: Those who seriously disturb railway public order should be strictly dealt with and not tolerated. Leading groups for maintaining railway public order have already been established in various municipalities, counties, communes, stations and sections along the Tianshui-Lanzhou Railway line the public order of this line has begun to improve.  
[Text] [SK270415 Lanzhou Gansu Provincial Service in Mandarin 1125 GMT 26 Apr 82]

CSO: 4006/428

## GENERAL

### LINK BETWEEN ECONOMIC GROWTH RATE, RESULTS DISCUSSED

Shanghai WEN HUI BAO in Chinese 10 Feb 82 p 3

[Article by Liu Guoguang [0491 0948 0342]: "Economic Results and Rate of Development"]

[Text] The question of speed is an important issue in socialist construction. For a long time now we have made a high rate of increase in some commodities and industrial and agricultural production a central target in planning and have guided and arranged development of the entire national economy in accordance with this target. However, the rate of economic development is not determined by subjective desires, but to a considerable degree by the question of economic results. In his report on the work of the government presented at the Fourth Session of the Fifth National People's Congress, Premier Zhao Ziyang listed 10 principles for construction from now on. The central idea of these 10 principles is to take a new road consisting of a better rate of speed, better economic results and one through which the people can derive more material benefits. Correctly understanding and dealing with the relationship between economic results and rate of growth is very closely related to implementing the 10 principles of economic construction.

Generally speaking, the rate of growth and improving economic results are united. Overall and excellent economic results are certainly manifested in a stable rate of growth. For example, during the first 5-year plan, the rate of our economic development and results were basically in harmony. But under certain conditions there are contradictions between the two. Short-term and local high rates are often earned at a very high price, and this kind of rate not only cannot secure any good economic results, but often inflicts heavy damage on the national economy. For example, in the "Great Leap" during the second 5-year plan period, there was a clear deviation in rate and results. This deviation later reappeared, with the result that it was only possible to wish for speed, but not achieve it. This is an important reason for the long-term existence of a bad cycle in China's economy.

To overcome the bad aftereffects of a one-sided pursuit of high rates under the "leftist" guiding thinking, the Third Plenary Session of the 11th Party Central Committee proposed an eight-character policy centered on readjustment, and at the end of 1980 the Party Central Committee and the State Council

further announced a policy of additional readjustment of the national economy. Now, the implementation of the policy of readjustment has already made great gains and the bad cycle in China's economy has begun to change. Now, "high norms" are no longer undertaken, "high accumulation" has begun to drop, "low consumption" has begun to improve, and all economic structures have begun to take a rational change; in particular, a fundamental balance of finances and credit has appeared in the past year. In short, China's economy has begun to get on the track of stable development. However, it should be noted that the question of "low results" has still not been resolved very well. As of now many important norms which reflect economic results are not only lower than those of the economically developed countries, but even lower than levels we have achieved in the past. This is the most important feature influencing economic growth, state revenues and the national economy's turn toward a better cycle.

At present, the potential danger to the national economy has not yet been completely eliminated. The basic balance between revenues and expenditures in 1981 was realized mainly by cutting down on expenditures and was not consolidated. The financial difficulties we are facing have many causes, among which the fact that it has not yet been possible to improve economic results and that during the period of readjustment the growth rate of heavy industry has been lowered are both related. In these circumstances, what should we emphasize? Should we emphasize increasing the rate or should we emphasize economic results? In view of the fact that in the past we suffered a great deal from one-sidedly pursuing high rates, and in view of the fact that now in our attempt to cast off a bad cycle our economy is stuck mainly in "low economic results," emphasizing improvement of economic results has particular significance right now. If economic results were improved then we could have a true rate of growth.

We should rely on emphasizing economic results in formulating and implementing economic and social development plans in an effort to achieve a certain growth rate. For a long time we have been accustomed to stressing the rate of growth and have not stressed results. However, practice shows that by emphasizing only the rate of growth, we may overlook economic results; but emphasizing economic results can produce a real growth rate. Therefore, we believe that when formulating and implementing national economic plans it is extremely important to propose a rate of growth that economic efforts can achieve and is down to earth, unify demands for fixed quantity and strict quality, and pay very careful attention to economic results. This means that when setting growth rate norms of economic and social development plans it is necessary to leave some leeway. Particularly during the present period of readjustment, leaving some leeway in growth rate norms makes it possible for us to readjust structures, reform systems, reorganize enterprises and increase results in an unhurried fashion. A stable rate of growth is beneficial to increasing the results of the entire national economy and gathering strength for the future, and thus it is a rate of growth which is truly down to earth and has stamina.

Of course, we cannot deny the significance of the question of growth rate in socialist economic planning because of faults in past economic planning work.

In the long view, in particular, if a developing economy does not have a certain rate, then gradually strengthening the national economy, improving the people's standard of living and realizing the goal of modernization are out of the question. Thus the rate is inseparable from the developmental goal of our four modernizations. It is impossible to draft plans for economic and social development without taking as our point of departure a developmental goal which is interrelated with a certain rate. In terms of economic readjustment within a period of time, the growth rate cannot be too low, or else revenues and expenditures and the people's standard of living will be adversely affected, and if it is too low it will result in less than full utilization of existing means of production and labor force. Of course, the growth rate we want is not a rate which ignores objective possibilities, lacks overall balance and is not attentive to economic results, but it is a rate which proceeds from actual circumstances, has overall balance and is attentive to economic results.

In sum, as long as we consider improving economic results as central and conscientiously implement the 10 principles of economic construction, we can lay a good foundation during the 6th Five-Year Plan, eliminate the many evils in economic life, straighten out relations, and then on the basis of this new foundation, accelerate the growth rate of the national economy. In this way, in the 20 years or so up to the end of this century, it will be possible for us to realize a doubling of the gross value of industrial and agricultural output so that the people's standard of living will achieve a comfortable level. At that time, our nation can start anew to advance toward even higher targets of modernization.

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## GENERAL

### BRIEFS

UK-PRC CROSS-COUNTRY VEHICLE--Beijing, 22 Apr (XINHUA)--A new oil-saving overlander will be produced and made available for export by the Beijing Motor Vehicle Works with diesel engines provided by Perkins Engines of the United Kingdom. Zhang Yiliang, deputy manager of the Beijing branch of the China National Machinery and Equipment Import and Export Corporation, made the announcement in a press briefing this afternoon. He said that an agreement has been reached between his organization and the Beijing Motor Vehicle Works on one side and the Organization for Promotion of Commerce and Industry-International and Perkins Engines of the United Kingdom on the other side for the production of four-wheel drive utility vehicles. Under the agreement, the overlanders will be fitted out with Perkins diesel engines to cut oil consumption and reduce fuel cost by over 80 percent. John Harding, director of Perkins Engines, said that scheduled production of the overlander will start as from August this year. However, samples of four different models have been produced and one is on show at the current export commodities fair in Guangzhou. [Beijing XINHUA in English 1542 GMT 22 Apr 82 OW]

SHANDONG INSURANCE CONFERENCE--The Shandong provincial insurance work conference, which concluded on 20 April, urged efforts to develop the insurance business in a vigorous and reliable manner. Insurance departments at all levels should open new business items in addition to enterprise and vehicle insurances. The 28 counties which have not yet established insurance businesses should open insurance businesses by the first half of this year. Family property insurance should be opened this year in cities at or above county level. In the nine prefectures and municipalities under the jurisdiction of the provincial government, cargo transport insurance should be established. In addition, shipping insurance should be opened in Changdao County on a trial basis. Personal and accident insurance for workers and staff should be established on a trial basis at certain selected units and places. [SK211018 Jinan Shandong Provincial Service in Mandarin 2300 GMT 20 Apr 82]

INTERNATIONAL ECONOMIC ASSOCIATION MEMBERSHIP--Beijing, 12 Apr (XINHUA)--According to JINGJIXUE ZHOUBAO [ECONOMICS WEEKLY] published today, the China Federation of Economics Societies has joined the International Economic Association. [OW121247 Beijing XINHUA Domestic Service in Chinese 0249 GMT 12 Apr 82]

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**DATE FILMED**

May 21, 1982

Comrade Qiu Ke said that the aim of protecting our national industry is to create conditions for changing our backward situation. The Shanghai automobile factory is one of the main passenger car manufacturers in China, with a capacity of producing 5,000 cars per year. Over the past 20-odd years, owing to the lack of funds, we were unable to improve our scientific research work and the backward technology and equipment. Many production means and instruments became inaccurate after having been used for a long time, and the function and quality of products were affected. Many people are anxious about this situation. Now the Shanghai automobile factory is planning to produce a new car which uses 30 percent less fuel than the current model and 47 percent less than jeeps. It is difficult and will take a long time to carry out this plan with out own efforts. It is thus necessary to reform the existing equipment and technology. If the import of cars is stopped and the funds thus saved are used to develop the national auto industry, this problem can be solved with less difficulty.

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## INDUSTRY

### NINGXIA CHAIRMAN ON INDUSTRY, COMMUNICATIONS WORK

HK290729 Yinchuan NINGXIA RIBAO in Chinese 15 Apr 82 p 2

[Report: "Comrade Ma Xin Speaks at Regional Industry, Communications Work Conference"]

[Text] Dear Comrades,

The main task of this regional industry and communications work conference conducted by the State Council, discuss how to improve economic returns by acting in accordance with the local actual situation, study and solve a few major problems in this year's industrial and communications production, formulate specific measures, and ensure the completion of this year's state plans in an all-round way. The participants of the meeting have seriously studied the important speech made by Comrade Zhao Ziyang at the national industry and communications work conference and Comrade Yuan Baohua's report; and the guiding ideology has been made explicit. All participants have expressed firm support and have decided to resolutely implement them. Now, in accordance with the situation of the discussions of the regional CCP Committee and the government, I give some opinions on how to promote our region's industrial and communications production this year.

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How to correctly understand the current situation of our region's economic front is of great significance to uniting the ideology of the broad masses of workers and in particular the ideology of the leading cadres at all levels, enhancing revolutionary vigor, striving to improve economic returns, fulfilling this year's industrial and communications production tasks, and bringing about a turn for the better in the current financial situation. In the previous year, due to the conscientious implementation of the spirit of the 6th plenary session of the 11th CCP Central Committee and the 4th session of the 5th NPC, the eradication of the "leftist" guiding ideology and the implementation of the major policy of the CCP Central Committee of carrying out further economic readjustment and realizing a more stable political situation, our region's industrial production advanced amid difficulties and gradually developed toward a promising orientation.

Our region's industrial and communications production encountered great difficulties last year. More than 20 percent of the planned output was not fulfilled and more than 300 enterprises were not assigned sufficient production tasks. In the face of such a situation, the region has conducted three industry communications meetings and two telephone conferences to implement the spirit of the two national industry and communications meetings conducted by the State Council, to correct understanding, enhance vigor, implement the economic policies and strengthen specific leadership and production arrangements. The situation of production was improved in May. The situation became even better in September. The region organs sent more than 200 cadres to GP deep to the grassroots, carry out inspections, exercise supervision and solve problems. As a result, the situation of production was further improved. With the encouragement of the spirit of the CCP Central Committee, many enterprises have overcome the ideas of inertia and passiveness, actively overcome difficulties, actively "managed things on their own" and extensively opened up sources of production. They have strived to enliven the economy in every possible way, enabling the region to fulfill a total industrial output of 1.16691 billion yuan, fulfilling 97.24 percent of the year's plan.

In general, the situation of our region's industrial and communications production last year was gradually improved each quarter. The results are obvious. Governments at all levels, the industry and communications departments and enterprises have done a lot of work and have overcome a lot of problems. We must affirm their achievements. However, we must clearly see that some serious problems still exist in our region's economic work. The outstanding problem is poor economic returns, and leading departments at all levels should attach great importance to this.

As far as industrial production is concerned, production has been lowered by a large extent and certain products have been overaccumulated. The total industrial output last year was exaggerated by about 2 percent. As far as the product quality and consumption is concerned, in accordance with the inspection of the 1981 technical and economic targets of the key enterprises, product quality of three-quarters of the products has been lowered and consumption was increased. Quality of the light industrial and textile products, in particular, has been lowered by a relatively large extent. As far as energy consumption is concerned, 8 of the 10 energy consumption quotas included in the plan have gone up to a varying degree.

Although these are questions in the course of advance, we must carry out conscientious analysis. We must sum up experiences, adopt powerful measures and rapidly promote the economic returns of the region's industrial production.

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This year's industrial production tasks have already been clearly stipulated: Under the premise of improving the economic returns, we must fulfill in an all-round way the 15 economic and technical targets such as achieving a total industrial output of 1.3 billion yuan and turning 16.1 million yuan of profits over to the state, realize a realistic growth rate which is not exaggerated and which "guarantees a rate of 5 percent and strives to attain 6." In order

to realize these targets, we must do a good job of the following:

(I) Shift The Guiding Ideology Onto Improving the Economic Returns

Recently, the State Council put forth the idea that "it is necessary to rectify the guiding ideology in industrial production." That is to say, it is necessary to stress the economic returns in industrial production and to have a realistic growth rate which is not exaggerated. Therefore, our industrial production and even our economic work as a whole, from guiding ideology to specific work, must undergo a fundamental change. We must open up new prospects in improving the economic returns.

Currently, many comrades are worried when we stress improving the economic returns. They think that our region's industry has a poor foundation to start with and naturally lacks competitiveness, and tasks will be tougher in the future if we go as far as to put forth the principle of breaking down regional blockades. Many of them even lose faith in the development of the local industries. Regarding this question, we should keep a clear head, understand the overall situation, carry out conscientious analysis and consequently draw correct conclusions. First of all, we must see that our region's industry has a certain foundation. It has a considerable competitive power whether we look at the level of equipment, the technical force or the supply of energy. As a matter of fact, the region's production capacity and technical level in the production of woolen products, leather goods, rubber products, steel-smelting, machine tools, coal-mining machines, bearings, meters, testing machines, cranes and so on occupy a dominant position in the relevant trade throughout the country. In addition, we should recognize that our region has rich resources of local products and natural resources such as coal. So long as we proceed from the actual situation in a truth-seeking way and seriously work out methods, there are great prospects for development. There are also great prospects for the development of other industries in our region such as light and textile, electricity, chemicals, metallurgy, foodstuffs, fodder and so on. Our region's industries have plenty of scope for development. We should be confident. There is no basis for us adopting a passive attitude, being disappointed, or moaning and sighing.

(II) Strive to do a Good Job of Several Kinds of Work Which Bring About Improvement in the Economic Returns

In order to improve the economic returns, we not only need a change in the guiding ideology but must also work hard in various practical jobs. In accordance with our region's actual industrial production situation, we must do a good job of the following this year:

1. Develop in a big way the production of marketable goods. Regarding those products which are marketable and are highly competitive, we must carry out through analysis in every link and solve practical problems, enabling them to become first products in our region's industrial production. Regarding products for which social demand is high and which are not highly competitive due to a low production level, we must organize forces and work with concerted efforts to tackle key problems, strive to obtain good results in the near future and open up markets. Regarding products for which social needs have already been satisfied, products which demand a high energy consumption and



products which are out-of-date, we must be determined to eliminate them and shift to production of marketable products. We must strive to develop production of products which are in short supply and products of daily use in accordance with the market demand and our technical force in order to expand production and increase revenue.

2. Practically do a good job of technical renovation. In order to make a few major industries in our region gradually suit market demands both inside and outside the country, and on the basis of making full use of the materials and technology of the existing industries, we must strengthen work in obtaining economic and technological information and import new technology. We must promote technical renovation of existing enterprises, tap the potential of existing enterprises, and proceed on the path of developing production in depth and by intension. We must use a relatively small amount of investment to obtain relatively great economic results. We must manage well and use well the funds for technical renovation and lay stress on ensuring the completion of projects which bring better results. We must not promote egalitarianism. In the future, leaders concerned will be liable for cases of waste and misuse of funds set aside for tapping the potential of enterprises and carrying out renovation and reform.

3. Carry out well the linking of production and supply and marketing. At present, the linking of production and supply and marketing is still an outstanding problem. All fields concerned must understand the overall situation and take the overall situation into consideration; the commercial and material supplies departments must primarily be enthusiastic in promoting sales of the local industrial products. We must support each other and promptly solve the existing problems by proceeding from speeding up industrial and communication production and improving the comprehensive economic returns.

We must adhere to the idea of working in line with the state policies. All products, including agricultural and sideline products which are included in the state's allocation plans should be allocated promptly strictly according to the plans. It is forbidden to retain these products, to process them or to sell them at negotiated prices.

4. Do a good job of increasing revenue and reducing expenditure, taxation from industries constitutes a large proportion of our region's local financial revenue. Therefore, in order to improve the situation of local financial revenue in the region, we must strive to develop industrial production, improve the economic returns and promote work in increasing revenue and reducing expenditure. This year's profit quota for the industries is 16.1 million yuan, and we must work hard to achieve it.

Major responsible comrades in all areas, all departments and all enterprises must attach importance to financial management. We must be strict with unnecessary expenditure and change the situation in which everyone turns a blind eye to waste and extravagance.

We must seriously promote large-scale financial inspection. By means of launching this large-scale inspection, we must popularize education in

financial and economic discipline, rectify and strengthen financial control, push forward economic accounting and strive to lower production costs and increase income.

5. Correctly handle the relationship between the state, the collective and the individual. This year's financial tasks must be completed in accordance with the principle of "taking the interests of the state, the collective and the individual into consideration." We must ensure a considerable increase in industrial output this year over that of last year. Regarding this question, all departments in charge and enterprises must adopt a correct attitude and actively make contributions to the state. It is wrong for departments concerned and enterprises to refuse to implement the correct policies and set the lowest production quota possible. We must promptly correct such a practice. Distribution of bonuses must be made in accordance with the spirit of the documents of the State Council and must be strictly controlled. Distribution of bonuses this year should be stabilized at last year's level, our major task is to correct the practice of egalitarianism in distributing bonuses and implement the principle of remuneration according to labor in order to arouse the people's enthusiasm.

6. Carry on doing a good job of closing down, suspending and merging enterprises and shifting them into other types of production. We must continue to close down, suspend, merge and shift production in those enterprises which are in difficulty, which produce unmarketable goods, which are operating with poor economic returns or operating at a loss. We must integrate industrial readjustment with straightening out enterprises this year. We must carry out analysis of the existing enterprises. Enterprises which should be closed down and suspended must be closed down and suspended, and enterprises which should be merged or which should have production shifted should be merged and should have production shifted. We should strive to enliven these enterprises. Regarding enterprises which have already been closed down or suspended, the bureaus in charge and the departments concerned must help them to do a good job of shifting production. It is necessary to put forward specific demands and measures, demanding that they resume normal production with considerable economic returns not later than the end of the third quarter. Regarding those enterprises which are running at a loss, it is necessary to grasp the work of reducing the deficit and turning deficits into profits. It is also necessary to put forth specific demands so that there will be targets of endeavor for the enterprises.

#### (III) Uphold the Principle of Taking the Planned Economy as a Dominant Factor and Supplementing it With Regulation by Market Mechanism

Fundamentally speaking, the improvement of economic results must depend on the readjustment of the economic structure and the reform of the economic systems. There is no other way out. However, we cannot wait until the reform of the systems and the readjustment of the economic structure are completed. At present, in order to solve this problem, we need to give full play to leadership. In other words, we must strengthen guidance in planning and intervention in administration, and strengthen supervision and inspection. We must try our best to keep up with the social needs in working out a production plan so that it can conform with these social needs. We must carry out centralized and

unified guidance, organizing production and allocating materials strictly in accordance with the plan and contracts. Only in this way can we bring our enterprises into the orbit of healthy development, and thus facilitate the national economy developing in a planned, coordinated and proportionate way. Administrative intervention must play its part in stopping the allocation of those unreasonably overlapping production tasks, the products of which are obviously not needed by the society. The production of some commodities which there is a surplus of and the market of which has already been saturated, must be restricted.

To uphold the principle of taking the planned economy as a dominant factor, we must firmly set up an overall point of view, proceed in everything from the overall situation, and persistently overcome those unhealthy tendencies such as selfish departmentalism, [word indistinct] and so on. We must unswervingly carry out the principle that the part must be subordinated to the whole. When there is a contradiction between the growth of production output and comprehensive economic results, the latter must be absolutely guaranteed.

#### (IV) Resolutely Deal Blows at Serious Criminal Activities in the Economic Field

Since the party's third plenary session, we have carried out in the economic field the policy of opening the door to the outside world and enlivening the economy at home. This direction is correct and the good results that we have achieved are of major significance. The present excellent situation would not have emerged without these reforms. However, we must also be clearly aware that some problems will inevitable emerge following the implementation of the policy of opening the door to the outside world and enlivening the economy at home. Some illegal activities such as smuggling, selling smuggled goods, speculation, swindling, corruption, bribery, and so on have prevailed in certain places and units. These activities should never be treated casually. If we do not deal blows at them immediately, they will seriously corrode our contingent of staff and workers, and thus gravely harm the construction of the four modernizations. We must fully understand the seriousness and perniciousness of the criminal activities in the economic field at the present stage, and raise our consciousness in carrying out this struggle. We must eliminate the wrong idea which holds that this struggle has no important bearing on our Ningxia regional as we are far away from coastal areas. Actually, those criminal activities such as smuggling, selling smuggled goods, speculation, swindling, corruption, bribery and so on also exist in our region; and some of these cases are even quite serious. We must carry out this struggle along with the comprehensive rectification of enterprises and the great financial examination. We must discover leads through reorganization and examination, step up thorough investigation, and then seriously handle these cases. We must deal blows at criminal elements, as well as educate cadres. At the same time, we must establish and amplify various rules and regulations and stop up loopholes so that criminals can no longer take advantage of them. All these measures will help to improve business management and economic accounting, and thus push ahead the enhancement of economic results.

(V) The Comprehensive Rectification of Enterprises Must Be Conscientiously Promoted

In order to enhance economic results, we must devote much of our efforts to enterprise rectification. First of all, we must do a good job in reorganizing those large and medium-sized key enterprises, with more problems and greater latent power, which badly need to be reorganized. At present, some administrative departments have made unauthorized changes in the list of enterprises which are to be reorganized according to the plan for the whole region; some leading cadres who are to be sent out to carry out experiments in appointed units have not departed yet; some units have even recalled those comrades from the appointed units where they are carrying out experiments; and some places and departments have not carried out whole trade reorganizations. None of these practices are in any way tolerable. In enterprise reorganization, we must attach importance to the key task of reorganizing leading groups. At present, the leading groups of quite a few enterprises are lax and weak. In these groups, the average cultural level is low, the number of cadres with professional knowledge is small, and there are too many old cadres. All these problems must be solved in good time during the period of reorganization. Those excellent comrades in the prime of life who are professionally competent and have ability in both organizational work and political integrity should be promoted to leading posts in enterprises. Those people who belong to "the three kinds" and those who resist the line, principles and policies laid down by the third plenary session are absolutely excluded from leading groups. If they have already been admitted into leading groups, they must be discharged from their posts immediately. In short, the reorganization and building of leading groups in enterprises must meet the requirements of the four modernizations, as a big step toward the goal of having younger, more civilized, more specialized and more revolutionary cadres. We must establish a leading system with democracy and centralized administration integrated together so as to ensure the smooth implementation of enterprise reorganization by means of organizational measures.

At the same time, we must build up and amplify the system of staff and worker representative congresses in enterprises, do a good job in carrying out democratic administration, and entrust administrative power to factory managers.

(VI) Conscientiously Strengthen Ideological and Political Work

At present, as ideological and political work in some enterprises has been weakened, anarchism and liberalization tendencies have shown sign of gaining momentum. This merits our close attention. At the present stage, ideological and political work must aim at fulfilling the requirements of building the four modernizations, handling the problems emerging in economic work and dealing with the thinking of staff and workers. By means of ideological work, we must help staff and workers to grasp those fundamental guiding ideologies and guidelines such as "taking the interests of the state, collective and individual into consideration," "upholding the four basic principles," "attaching primary significance to food production and secondary significance to construction," and thus urge them to carry out all these in the actual work.



in order to deepen the correct understanding of the present situation by the vast number of staff and workers, mobilize their socialist initiative, and thus push ahead with economic development, we must, in industrial and mining enterprises and in cities, start extensive and lively education on the economic situation. In conducting education in the situation, various areas, departments and units must demonstrate, in the light of their own circumstances, the progress the state has made in the last 3 years in improving the people's livelihood. They must clearly explain to the people the fact that in the last few years, all this progress has been made under the circumstances that economic construction was severely damaged by the counterrevolutionary cliques of Lin Biao and the "gang of four," that we were loaded with the arduous task of economic readjustment, that the financial deficit was going up and the state was bearing a heavier and heavier burden. We must also expound to the masses the problem of commodity prices which has been talked about most frequently, and frankly tell them about our present difficulties. In order to enable the education in the situation to score solid results, propaganda departments, trade union units and administrative departments of enterprises can select several units for experiments, and then extensively launch the drive based on experience gained in the experiments.

We must link the building of spiritual civilization to ideological and political work, and promote the activity of learning from advanced units in depth. We must promote it in a down-to-earth manner and strive for real effects by starting from the real situation and combining the drive of learning from daqing with that of learning from Shanghai and Nantong. We must learn from the Chinese women's volleyball team and give full play to the death-defying spirit and take the initiative in making contributions.

We must restore and amplify political work organs by strengthening political work personnel, training political work cadres by stages and in groups in a planned way and unremittingly enhance their political understanding and professional competence. We must mobilize the masses to take part in promoting ideological and political work. Through the extensive mass ideological and political work, we can propagandize the party's guiding principles and policies, deepen the ideological and political consciousness of the vast number of staff and workers, motivate in good time the masses' socialist initiative in building the four modernizations and thus bring about a prominent change in the morale of factories and the work style of the party.

Comrades, the general situation is good this year, and the output value in the first season is up again. But, the economic results were very bad. Therefore, the industrial production tasks for this whole year are very arduous and our key problem is to strive for improving the economic results. We hope that through this meeting on industrial and communications work, we can revive our spirits and brace ourselves. Let all of us try to do a good job on various fronts, comprehensively fulfill the industrial production tasks of 1982, make this year a year of hard work and prosperity, and thus make our country better off year after year.

## INDUSTRY

### BRIEFS

**QINGHAI INDUSTRIAL CONFERENCE**--On 16 April, Shen Ling, deputy governor of Qinghai Province, said in a report delivered at the provincial conference on industry, communications and democratic management that the province must do well eight tasks this year to improve economic results. The eight tasks are: 1) Vigorously increase readily marketable products; 2) continue to improve product quality and increase variety; 3) accelerate technological innovations among enterprises; 4) vigorously attend to the economy of coal, petroleum and electricity; 5) promote mass campaigns for increasing production and practicing economy and strictly enforce financial discipline; 6) make good use of goods kept in stock and accelerate capital turnover; 7) bring into play the role of economic coordination groups and strengthen cooperation among various departments; and 8) step up the comprehensive analysis and checkup of economic results. [SK190836 Xining Qinghai Provincial Service in Mandarin 2330 GMT 18 Apr 82]

**LIAONING MUNICIPALITY INDUSTRY**--Fuxin Municipality, Liaoning Province, achieved good economic results in industrial and communications production in the first quarter of this year. The municipal industrial output value and profit increased 11.6 and 250 percent respectively over the corresponding 1981 period. In the meantime, Fuxin Coal Mining Administrative Bureau overfulfilled the quarterly raw coal production target by 78,000 tons. [SK180935 Shenyang Liaonign Provincial Service in Mandarin 1100 GMT 17 Apr 82]

**XINJIANG BOOSTS INDUSTRY**--Urumqi, 19 Apr (ZHONGGUO XINWEN SHE)--Xinjiang industry has scored heartening achievements in the first period of this year. The total output value for industry during this period was up by 9.41 percent over the same period last year and profits handed over to the state increased by 142 percent. With light industry accounting for 50.98 percent of the total industrial output value, this is the first time in 32 years since the founding of the PRC that light industry has surpassed heavy industry in terms of output value. According to statistics, there has been an increase over the same period last year in the production of 55 of the 77 important industrial products included in Xinjiang's plan for this year. The increase has been relatively large in the case of light industrial and textile products, production of which was up by 23 percent over last year. Production of heavy industrial products such as steel, steel products, crude oil and refined oil has also increased by at least 5.3 percent. [Text] [HK200656 Beijing ZHONGGUO XINWEN SHE in Chinese 0724 GMT 19 Apr 82]



HEILONGJIANG LIGHT INDUSTRY--Since the beginning of this year, the first light industrial departments of Heilongjiang Province have paid more attention to economic results than to output and stressed the production of products in short supply. In the first quarter of this year, their industrial output value increased by 38.6 percent and their profits increased by 68.7 percent compared with the corresponding 1981 period. In the first quarter, the production of products in short supply such as sugar, dairy products, beer, blankets and nylon increased 32 to 38 percent and that of knitting wool and soaps increased 60 to 100 percent compared with the corresponding 1981 period. [Harbin Heilongjiang Provincial Service in Mandarin 1100 GMT 25 Apr 82 SK]

WORK CONFERENCE CONCLUDES--The Guangxi Regional Industry and Communications Work Conference concluded in Nanning on 22 April. Over 1,100 persons concerned attended the meeting. Zhou Guangchun and Huang Yun, leading comrades of the regional CCP committee and government, spoke at the meeting. Comrade Qin Yingji delivered a summation. Comrade Qiao Xiaoguang put forward his views on industrial and communications production and work. Comrade (Huang Jia), chairman of the regional planning committee, put forward his views on implementing the spirit of the national industry and communications work conference. The conference stressed the importance of unifying growth rate and economic returns. It noted: the region achieved good results in both growth rate and economic returns in the first quarter, thus proving that the two can be promoted simultaneously. The conference held: "We must seriously study and sum up experiences, to ensure that our thinking and work suit the changed situation. We must study the line, principles and policies formulated by the party since the third plenary session and the series of important speeches of Comrades Chen Yun and Zhao Ziyang on economic work. We must have a clear idea on the fundamental issues of guiding ideology for socialist economic construction." The conference held: "Our products must meet market needs and sell well. This means, our production is not carried out for the sake of the warehouses and our own units, and still less for the sake of being paid bonuses. It must serve the needs of society and the people." The conference stressed the importance of both protecting and exploiting forest and mineral resources. The conference also called for grasping to the end the struggle to hit at economic crimes. [Summary] [HK240158 Nanning Guangxi Regional Service in Mandarin 1100 GMT 23 Apr 82]

ZHEJIANG INDUSTRIAL OUTPUT--Hangzhou, 15 Apr (XINHUA)--In the first quarter of 1982, Zhejiang Province's industrial output value increased by 13.3 percent and income from sales of industrial products by 14.6 percent, as compared with the 1981 first quarter. In the first quarter of this year, the state-operated industrial enterprises in Zhejiang earned 12.5 percent more profits and turned in 6.9 percent more profits to the state than in the first quarter of 1981. [Beijing XINHUA Domestic Service in Chinese 0123 GMT 15 Apr 82]

JILIN COMMUNE-RUN INDUSTRY--The output value of Jilin Province's commune and brigade-run industry for the 1982 first quarter was 108.6 million yuan, up 37.6 percent over that in the corresponding 1981 period. The quarterly profits were 16.92 million yuan, overfulfilling the profit plan by 8.3 percent. This is a 34.2 percent increase over the 1981 figure. [Changchun Jilin Provincial Service in Mandarin 1100 GMT 21 Apr 82]

FUJIAN INDUSTRIAL OUTPUT--In first quarter of 1982, Fujian Province's industrial output value increased by 12 percent and its state-operated industrial enterprises earned 14 percent more income from sales and turned into [the] state 15 percent more profits, as compared with 1981 first quarter. [OW181103 Beijing Domestic Service in Mandarin 1600 GMT 10 Apr 82]

GANSU INDUSTRIAL PRODUCTION--Industrial enterprises in Gansu Province have achieved good economic results in modifying equipment and creating new technology. In 1981 the province fulfilled 127 key industrial technological transformations. In the meantime, the province had an additional 22 million yuan worth of fixed asset and 134 million yuan of output value. [SK232225 Lanzhou Gansu Provincial Service in Mandarin 1125 GMT 22 Apr 82]

HEBEI FIRST QUARTER INDUSTRY--In the first quarter of this year Hebei Province achieved good results in developing its industry. Its total industrial output value for the quarter increased by 9.6 percent over the same period last year. The total value of industrial output produced by state-owned enterprises during the first quarter increased by 8.5 percent, that by collective enterprises increased by 14.6 percent and that by joint venture enterprises increased by 62.5 percent. All the prefectures and municipalities except Chuangzhou Prefecture increased their industrial output value by a percentage ranging from 6.2 percent to 22.5 percent. The province succeeded in producing more than 24 percent of the year's planned output targets for 64 of 100 kinds of its major industrial products. The total industrial output value of the textile and light industries for the quarter increased by 15.1 percent and that of heavy industry increased by 4.9 percent. The output of coal increased by 7.5 percent and that of electric power by 4.2. The total output value of the machine-building industry increased by 27.5 percent and that of mechanical products for farming increased by 42.3 percent. The Shijiazhuang railway subbureau carried 9.1 percent more tonnage of goods than in the same period last year and the total tonnage completed by other local transportation departments rose by 27.5 percent. The total profits earned by the enterprises that were included in the local budget during January and February increased by 8.48 percent over the same period last year. The amount of profit in these 2 months increased by 15.44 million yuan. The total comparable costs of products dropped by more than 1 percent. One hundred and twenty-nine less enterprises than in the same period last year incurred losses. The total amount of losses incurred by the enterprises that have debit balances in their profit and loss account during the first 2 months this year was 20 percent less than that in the same period last year, which meant 11.74 million yuan less. The average profit ratio of the province's products increased by more than 14 percent. The average labor productivity in state-owned enterprises increased by 7.8 percent. Timber consumption for production of each 10,000 tons of coal dropped by 8 percent, resulting in conservation of 4,483 cubic meters of timber. [HK190837 Shijiazhuang Hebei Provincial Service in Mandarin 0400 GMT 7 Apr 82]

CSO: 4006/428

## CONSTRUCTION

### PRC COMMENDS OUTSTANDING CONSTRUCTION UNITS

OW231118 Beijing XINHUA Domestic Service in Chinese 1500 GMT 22 Apr 82

[Text] Beijing, 22 Apr (XINHUA)--Five organizations, including the State Capital Construction Commission and the All-China Federation of Trade Unions, held a joint meeting today to commend advanced construction units for completing more all-round outstanding construction projects in Beijing, Tianjin and Tangshan during 1981.

In total, 130 units were commended at the meeting. The construction projects completed by these units were good in quality, short in construction time and outstanding in economic results. They were generally praised by the users. For example, in 1981 the Handan Municipal No 2 Construction Engineering Company built "all-round outstanding houses" with a total floor space of 130,000 square meters in Tangshan. Some of the houses were completed in only half the time required for the completion of similar housing projects in other areas. In last year the Beijing Municipal No 6 Construction Engineering Company carried out the practice of "taking the users into consideration in designing the houses, holding themselves responsible to the users in the course of construction and satisfying the users in the use of the houses." All the houses completed by the company in that year, a total floor space of 250,000 square meters, met the requirements for building "all-round outstanding" houses. The Tianjin Municipal No 2 Construction Engineering Company and other units completed nine all-round, outstanding buildings with a total floor space of 140,000 square meters in 1981. With full confidence of their quality, the department concerned waived the procedure of inspection for 84 residential units in the buildings.

Regarding these advanced units as a good example, Beijing, Tianjin and Tangshan have launched a vigorous campaign to complete even more "all-round outstanding housing projects" and scored new achievements every year. During 1981, houses with a total floor space of 12.6 million square meters were completed in the three cities, marking an increase of 6.4 percent as compared with the total floor space completed in 1980. There were 1,966 "all-round outstanding" houses with a total floor space of 4,337,000 square meters, accounting for one-third of the total floor space completed in 1981 and registering increases of 11.2 percent and 16.7 percent respectively as compared with figures in 1980.

In order to further develop the campaign of completing even more "all-round outstanding" houses, the meeting called on all construction enterprises to learn from the Handan Municipal No 2 Construction Engineering Company in strengthening their basic work, promoting quality control in an all-round manner, improving economic results and making fresh contributions to the four-modernizations program.

CSO: 4006/427

## CONSTRUCTION

### 'SICHUAN RIBAO' COMMENTS ON DUPLICATE CONSTRUCTION

HK280845 Chengdu SICHUAN RIBAO in Chinese 20 Apr 82 p 1

[Commentator's article: "Stop Blind Development and Duplicate Construction"]

[Text] In recent years, in the further readjustment of the national economy in our province, a number of capital construction projects have been suspended or postponed. But in certain fields, some new projects outside the state plan have again been blindly started. At present, this practice has still not been completely stopped. This matter calls for our serious attention.

Improving economic returns is the basic starting point in considering all future economic problems of ours. Blind development and duplicate construction serves only to dissipate valuable resources. It is a waste of money. It is a drain on the limited energy supply and a claim on raw materials otherwise used for fine-quality products and on the market for the latter. It affects national income. As far as the whole situation is concerned, the practice is a matter of big waste and low yields. For example, the small silk mills newly set up in our province are mostly poorly equipped and technical backward. The reeled silk thread is of poor quality, but a claim has been made on raw material for large silk mills. Also, for the manufacture of thin paper, over 300 enterprises have cropped up throughout the province. Output has exceeded market needs by two-thirds, forcing large and medium-sized paper mills to cut down on production and causing a 50 percent drop in taxes on every 100 yuan worth of fixed assets of the paper industry under the first light industrial system of our province in 1981, compared with 1979. Moreover, energy and raw material consumption on the part of small factories of this kind is generally high. If not stopped, the tendency toward blind development will seriously affect economic returns, causing an imbalance in the national economy.

There are many causes for blind development and duplicate construction. As far as macroeconomics is concerned, the main factors are poor management, ineffectual management and unscientific management. Sometimes, things are carried so far that the responsibility for exercising control, making readjustments and seeking a balance is ignored. Only after "a ship has been made out of wood" with everything fixed, is a half-hearted attempt made to pin the blame on blindness where microeconomics is concerned. As far as the ideological style is concerned, the main factor is that the practice of many years of



not respecting science, not taking a down-to-earth approach and not doing things according to our capability and doing everything all at once without regard to consequences has not been basically eliminated. As far as micro-economics is concerned, the main factor is that departmentalism, decentralism, the trend toward liberalization, and so forth, have developed among certain areas, certain units and certain comrades. All these problems must be gradually solved. While continuously enlivening the economy, we must strengthen efforts toward centralization and unity and take effective measures to stop the practice of blind development and duplicate construction.

First, we must strengthen planned management and efforts toward a comprehensive balance and tighten up control over the power to examine and approve proposed projects. Any investment in fixed assets of a productive nature from any source must be included in unified plans for the national economy. A project started must be approved by those vested with the proper power. For any project of any size which is newly built or which involves expansion, or transformation by tapping potential, a blueprint must be submitted to the provincial planning committee for approval, where a balance between energy and production, supply and marketing must be achieved, as far as the province is concerned. We must resolutely uphold the State Council's stipulation that "no leader fix a project on his own responsibility." Those people who freely approve projects without regard to the overall interests of the state and without conducting feasibility studies must be held responsible economically.

Second, the departments concerned must seriously look into the projects in progress and those of a productive nature put into operation in the past 2 years (including those which involve transformation by tapping potential), doing so in light of the readjustment of the national economy. Those projects which fall into the category of "12 kinds of projects which are not allowed," as stipulated by the state, must be resolutely suspended. Those which have already been completed must change their production plans or stop production, where they compete with advanced, old and large factories for energy, for raw materials and for a market and where they have been no fixed arrangements for production, supply and marketing. Concerning the development of the light and textile industries, we must direct vigorous efforts toward improving quality and increasing variety. Where production capacity must be expanded, we must make overall arrangements and seek an increased production capacity chiefly through reorganization according to specialization.

Third, we must respect science and strictly act according to the procedures for construction. Concerning those technical transformation projects, small capital construction projects and collectively owned projects where no procedures and no stipulations can be followed, various departments in charge must work out construction procedures as quickly as possible in light of their own particular features. In future, for those projects which have not been approved by the relevant organs, banks must not grant loans or allocate funds, construction units must not commit themselves, and industrial and commercial administrative organs must not issue business licenses.

We must promote proper guiding thought for economic work among cadres at all levels and study all problems with the improvement of social economic returns



in mind. By setting forth facts and reasoning things out, we must enable those comrades in the economic work departments to fully realize the harm of blind development and duplicate construction. We must make them understand that if things are allowed to go on this way, the end result will be extremely harmful to the state and to themselves. We must firmly foster the idea of coordinating all the activities of the nation like pieces in a chess game, and set straight the relations between the overall interests of the state and local interests. We must uphold the guideline of taking the planned economy as the primary factor and regulation by market mechanism as the subsidiary one. Economic departments and enterprises must take comprehensive economic returns as the starting point and ultimate aim of production and business activities.

CSO: 4006/427

## CONSTRUCTION

### LUANHE WATER TO BE DIVERTED TO TIANJIN

OW221401 Beijing XINHUA in English 0814 GMT 22 Apr 82

[Text] Tianjin, 22 Apr (XINHUA)--More than 30,000 builders are working day and night at the construction site of a mammoth project to divert water from the Luanhe River to Tianjin, which has suffered from acute water shortage for years.

Tianjin, the biggest industrial center in north China, expects to receive an annual supply of 1,000 million tons of water beginning as from the end of 1982, municipal authorities told XINHUA. The number of workers taking part in the construction of the water-diversion project is expected to reach 100,000 when the construction is geared into full swing at the fall of this year.

Work will soon finish on the Panjiakou reservoir designed to store 2,930 million cubic meters of water from the Luanhe River, which originates from northern Hebei Province. Water will then be diverted to another reservoir 30 kilometers down the Luanhe River. From the Daheiting reservoir, the second reservoir, water will be led through a 9.7 kilometer tunnel through a branch of the Yanshan Mountains to empty into the Li River. A 65 kilometer section of the Li River will be dredged and a 130 kilometer canal dug to send water ultimately to Tianjin.

The water-diversion tunnel will be the longest in China, according to municipal authorities. The tunnel, which is designed to allow a water flow of 60 cubic meters per second, will involve 600,000 cubic meters of earthwork and 860,000 cubic meters of stonework.

Premier Zhao Ziyang inspected the dam site of the reservoir in Qianxi County, Hebei Province, on October 1 and 2, 1981. Construction of the reservoir began in 1975. While designed to store water from the Luanhe River, the reservoir will be fitted with four electric power generating units with a combined capacity of 450,000 kilowatts.

With an urban population of more than 3.5 million, the Tianjin municipality used to depend on the nearby Miyun reservoir in Beijing for water. The water table in the Miyun reservoir dropped drastically due to serious droughts that had hit north China for years in a row. In view of the inability of Miyun reservoir to supply Tianjin, the State Council last year decided to divert water of the Yellow River to Tianjin and endorsed and the [as received] Luanhe River water diversion project.

CSO: 4020/124

## CONSTRUCTION

### BRIEFS

SHAANXI HOUSING INVESTMENT--Since the 3d plenary session of the 11th CCP Central Committee, Shaanxi Province has invested 887 million yuan in urban housing and residential houses on 6.236 million square meters have been completed. The amount of investment in nonproduction construction, such as culture, education, public health, urban construction and residential houses for the households of staff and workers, over the past 3 years has been greater than the previous 3 years and accounts for 32 percent of the total amount of investment in capital construction in the same period. The amount of investment in housing accounts for more than half of the nonproduction investment. The area of new houses completed over the past 3 years is equal to 1/3 of the total area of residential houses for staff and workers in the 29 years from 1949 to 1978. [HK240309 Xian Shaanxi Provincial Service in Mandarin 0500 GMT 23 Apr 82]

CSO: 4006/427

## DOMESTIC TRADE

### JIANG YIZHEN ON COMBATING ECONOMIC CRIMES

HK300757 Shijiazhuang Hebei Provincial Service in Mandarin 0400 GMT 22 Apr 82

[Text] On the evening of 19 April, the Hebei Provincial CCP Committee convened a telephone conference of secretaries of the CCP committees of prefectures, municipalities and counties, responsible persons of the departments concerned and responsible comrades of all departments, committees, offices and bureaus directly under the provincial authorities. The conference demanded that the CCP organizations at all levels earnestly study the decision made by the CCP Central Committee and the State Council on dealing blows at serious crimes in the economic field, enhance ideological understanding and grasp tightly the ideological weapons so as to deeply carry out the struggle against serious economic crimes in our province.

Jin Ming, first secretary of the provincial CCP Committee presided over the conference. On behalf of the provincial CCP Committee, Second Secretary Jiang Yizhen made a speech at the conference.

In his speech, Comrade Jiang Yizhen said: At present, the struggle against the criminal economic activities is developing step-by-step in our province. Over the last 3 months and more, all prefectures, municipalities and counties and all units directly under the provincial authorities have handled a certain number of cases. They have already made breakthroughs in some complicated cases, and some long pending cases are now being solved. Some economic criminals, who have committed crimes of a grave nature, have been shaken and frightened. Unhealthy tendencies have begun to be curbed. As the struggle has gone deeper, a certain number of economic criminals have recently confessed their criminal offences and given themselves up. Initial results have been gained in the struggle.

However, we must see that the struggle against economic crimes is only just beginning in our province. People have not been fully aroused ideologically. Some leading comrades of the CCP Committees at various levels still lack sufficient understanding of the harmfulness of serious economic crimes as well as the necessity and urgency of waging this struggle. Some still have misgivings of various kinds about this struggle. They have not yet treated the struggle as one of the central tasks. Measures taken are not effective enough. Investigation and handling of criminal cases are proceeding a bit slowly. In order to seriously implement the spirit of the documents issued by the central

authorities and the important decision made by the CCP Central Committee and the State Council and in order to deeply and unremittingly carry out the struggle against economic crimes throughout our province, we must do a good job in the following work:

1. We must seriously study documents and arouse people ideologically so as to enhance ideological understanding. The decision made by the CCP Central Committee and the State Council is a programmatic document to guide us in fighting against serious economic crimes and against corruption and degeneration. It scientifically explains the nature and importance of this struggle and explicitly puts forth the focal points, principles and policies of the struggle. The decision made by the NPC Standing Committee on severely punishing the criminals who do great damage to the state economy is the legal weapon with which we can wage this struggle. On the basis of the preceding study, we must continue to earnestly study and understand well the decision, taking it as a ideological weapon to enhance our thinking. First of all, the responsible comrades of all CCP Committees at the provincial, prefectural, municipal and county level and of all CCP groups of provincial organs should spend a concentrated period of time earnestly studying the two decisions and other relevant documents issued by the central authorities. They should link the study with their thinking and the present state of serious criminal activities in the economic field, hold serious discussions on the two decisions and adopt measures to implement them. At the same time, they should arrange well study among party members, cadres and the masses. Through study and discussions, all party members and cadres must further realize the gravity, harmfulness and perils of the criminal activities in the economic field. They must be fully aware of the necessity, urgency and protracted nature of waging the struggle against corruption and degeneration. They must understand well the principles, policies and measures set forth by the party for the struggle. They must change their attitude of ignoring and being indifferent towards the gravity of the criminal economic activities. They must overcome all kinds of misgivings, indecisiveness and fear of difficulties in waging this struggle and fill themselves with confidence for victory.

In the course of studying the two decisions, special attention must be given to getting rid of two kinds of misgivings in the minds of some party members and cadres. One of the misgivings is that the struggle will hamper the development of socialist construction. This viewpoint is wrong, because these criminals are sabotaging socialist construction. The nature of our struggle against them is to safeguard socialist construction. Only by resolutely waging this struggle, can we ensure that our construction can advance along the socialist path. Therefore, dealing blows at serious economic crimes is in fact an important guarantee for us adhering to the socialist road. The other misgiving is that dealing blows at serious economic crimes will bring about some adverse affects to the policy of opening up to the outside world and enlivening the domestic economy. This viewpoint is also wrong. Owing to internal and external factors, we are now pursuing a policy of opening up to the outside world and enlivening the domestic economy. This will inevitably lead to a struggle between capitalist ideological corrosion and socialist ideological opposition to corrosion. Therefore, we must combat corruption and degeneration while we are carrying out this policy. There are no discrepancies between the two. Dealing blows at

criminal economic activities is precisely aimed at correctly carrying out this policy. We should not neglect, slacken our efforts or even dare not wage this struggle because of the pursuing of this policy. On the other hand, we should not let our wills be shaken in implementing this policy which has been proved correct by practice, due to waging this struggle. In particular, we must observe that there still exists many influences of leftist ideology in our economic construction. There are still plenty of people who are suspicious of and even negate the policy of opening up to the outside world and enlivening the domestic economy. Hence, we must be vigilant against turning back and must forestall a stifling of our economy, which has just been enlivened. We must prevent a set of leftist stuff being taken out again to oppose the line set forth by the 3d plenary session of the 11th CCP Central Committee. [Words indistinct] provincial CCP Committee demanded that the leading [word indistinct] the CCP committees at all elvel carry out the following action:

- 1) They must guarantee, by using the party spirit, to implement the directives and decisions made by the central authorities;
  - 2) They must vigorously and speedily investigate and deal with all serious economic crimes existing in their districts and units;
  - 3) One who has himself committed economic criminal offenses must take the initiative to admit and confess to the party organizations;
  - 4) If their children or relatives have committed economic criminal offenses, they must place uprightness above family loyalty and actively support and assist the departments concerned which are in charge of investigating and dealing with these cases. They should by no means harbor them and give any unprincipled protection.
2. We should strengthen leadership and reinforce the organs which are engaged in investigating and dealing with economic criminal cases.
  3. We should concentrate our energy on investigating and handling the big and important cases in an earnest way.
  4. We should correctly grasp the policies and strictly handle all matters according to law.

In his speech, Comrade Jiang Yizhen concluded by pointing out: dealing blows at serious economic crimes is one of the great motive forces in giving impetus to the development of industrial and agricultural production and in guaranteeing the smooth progress of all work. Accelerating the development of production represents the fundamental hallmark for the victory of the struggle. At the same time, we must recognize that dealing blows at serious economic crimes is one of the most practical and effective measures in the present conditions for rectifying the party and its work style. Purging a small number of economic criminals from leading bodies of the party is one of the contents of straightening out and purifying the leading bodies. At the same time, it will also be helpful to the work of clearing the "three types of persons" out of the leading bodies, because some of the "three types of persons" also committed economic crimes. Through the struggle against criminal economic activities,



we hope all members of our party with their concerted efforts purify our party's organizations, bring about a greater improvement in the party's work style, and the social mood and order of our province and accelerate a greater development in industrial and agricultural production and all fields of work.

CSO: 4006/428

## DOMESTIC TRADE

### INDUSTRY CONFERENCE DISCUSSES ECONOMIC CRIMES

HK261326 Guangzhou Guangdong Provincial Service in Mandarin 2350 GMT 25 Apr 82

[Text] The comrades who are attending the Guangdong Provincial Conference on industry and communications, which is being held in Foshan Municipality, recently discussed what effect the current struggle against serious criminal activities in the economic sphere will have on developing production and enlivening the economy. They had two completely different views on this issue. Some comrades held that in waging this struggle, policies cannot be successfully implemented and production cannot be promoted. They were therefore laden with anxieties and lack confidence to promote production. However, the great majority of comrades held that in waging this struggle, only crooked ways are being curbed but honest transactions are being promoted. Obstacles to developing production and enlivening the economy will be basically eliminated. Enterprises which have the ability can freely work and give play to their potential with their masterly skills.

At the conference, they cited many facts to clearly explain that unhealthy trends in the economic sphere will greatly sabotage production. Last year, a purchasing agent went to a factory in Shaoguan Municipality to place an order for 100,000 ceiling-fan poles. He openly demanded a commission of 8 fen per pole. The factory did not agree and failed to get this order. As this factory did not have sufficient work to do, it incurred a loss of several ten thousand yuan that year. This kind of incident is not rare. This unhealthy trend not only corrupts many cadres but also protects backward enterprises and strikes blows at advanced enterprises.

While we are waging a struggle against serious criminal activities in the economic sphere and putting a stop to crooked ways and unhealthy trends, enterprises which have the ability to compete can display their skills to the full. Enterprises whose products are not marketable, are inferior in quality and have high prices must strengthen management, improve technology and improve the quality of their products. This will be of significance in making enterprises strengthen management, tap potential and acquire masterly skills and in raising the industrial production level.

Since the struggle against serious criminal activities in the economic sphere was waged, some comrades have worried about carrying out economic activities

with foreign countries and have not been bold enough to carry out these activities. The comrades at the conference conducted a stormy discussion on this issue. The majority of comrades held that implementing the open-door policy is a firm policy of the party and will not change. However, the guiding ideology and method of some of our comrades in respect of economic activities with foreign countries must change. The desire to profit handsomely from foreign dealings must be transformed into a commitment to developing production and enlivening the economy.

CSO: 4006/428

## DOMESTIC TRADE

### BRIEFS

JILIN MARKETING NETWORK—Siping Municipality in Jilin Province has consolidated and improved the marketing network of industrial goods since last April. It has taken various steps to promote sales of industrial goods and dispose of stockpiled goods. Sales of industrial goods in the first quarter of 1982 totaled 88.42 million yuan, up 40.5 percent over the corresponding 1981 period. It disposed of stockpiled goods worth 11.38 million yuan, reducing 36.4 percent of capital made idle due to overstocking. [SK260814 Changchun Jilin Provincial Service in Mandarin 1100 GMT 25 Apr 82]

CSO: 4006/427

## FOREIGN TRADE

### ADJUSTMENTS MADE TO EXPAND ELECTRIC MACHINERY EXPORTS

Kunming YUNNAN RIBAO in Chinese 5 Feb 82 p 1

[Article by Zhu Guohua [161] 0948 5478]: "There Are Advantages in Combining Industry and Trade, Expanded Exports Earn Foreign Exchange: A New Breakthrough in Export of Yunnan's Electric Machinery Products"]

[Text] Yunnan machinery industry has adopted the form of combining industry and trade to expand electric machinery exports, which has promoted an increase in the level of production technology in Yunnan's machine industry and earned more foreign exchange for the country.

Beginning in 1980 there was a big breakthrough in Yunnan's electric machinery exports, and the supply of goods for export increased to over 8 million yuan in 1980 over 2 million yuan in 1979. To expand the market further, the Yunnan Machine Industry Department actively developed the combination of industry and trade, closely linking Yunnan's Machine and Equipment Export Company with the factories so that the factories became a base and backup for the company to expand trade abroad. The company became a bridge, a link between the factories and foreign markets. In making contact with foreign business, the company not only accepts export orders for the factories, but also can promptly communicate to the factories the needs of the international market and opinions of product users so that the factories can promptly improve the product and develop new products which are suited to the market. Thus promoting the development of production. The Wangxi Machine Tool factory used to produce a lathe that was not much in demand on foreign markets, but after the company understood this situation, it helped the factory select a lighter, smaller model which would work small parts and made some changes in line with the demands of foreign businesses, so that one business placed an order for 10 at one time and another foreign business asked that one be sent to his country for exhibit. The Kunming Milling Factory and the Yunnan Machine Tool Factory have also paid close attention to the demands and opinions of foreign buyers and have improved and developed products on the basis of need.

At the request of foreign buyers, the Yunnan Machine Tool Factory enlarged the copying rule, spacer, bullnosed tool rest and crumb guard of the Cyl6"B lathe it produces, which broadened its range of use and improved its adaptability, and it has been exported to 12 countries. Last year there were 31 categories and 86 kinds of electromechanical products sold by the province to 32 countries and regions. The supply of goods exported was 26 million yuan, a 2.2-fold increase over 1980. This year, Yunnan has already signed contracts for electromachinery exports worth over 20 million yuan.

## FOREIGN TRADE

### CONSTRUCTION IN SHENZHEN SPECIAL ECONOMIC ZONE DISCUSSED

Guangzhou NANFANG RIBAO in Chinese 28 Jan 82 p 1

[Article by correspondents You Yanling [3266 7159 0407] and Li Tongbo [2621 6639 3174]: "Special Policy and Flexible Measures Daily Increase Appeal to Foreign Traders; Large-Scale Economic Construction Launched in Shenzhen"]

[Text] Large-scale construction is underway in the special economic zone in Shenzhen, and after two years of work, a new modernized city is rising.

Today, all one has to do is enter Shenzhen and one can see small cars and vans from all over the world hurrying back and forth; large numbers of bulldozers, graders and heavy trucks drive past in a never-ending stream, razing hills to fill in the sea and level the land; on both sides of the broad highways which connect the new city districts with the old, there are row upon row of scaffolding, and tall buildings and factory buildings are rising out of the ground.... The responsible person of the special economic zone told us about the zone. The special zone's attraction for foreign traders is increasing daily, and the pace of construction is growing.

According to incomplete statistics, up to the end of last year, over 2,500 people from businesses and governments of over 30 regions and countries had come to Shenzhen's special economic zone to observe and discuss business, and this has already led to nearly 1,000 foreign commercial investments projects with a gross planned investment of over 7.77 billion Hong Kong dollars. Last year, 413 projects were brought in with a planned investment of 6.1 billion Hong Kong dollars, making up 78 percent of the total investment. Forty-four of these projects represent an investment of more than 1 million Hong Kong Dollars, and 12 are above 100 million Hong Kong dollars. In the latter half of last year, in particular, results of the effort to attract foreign investment were encouraging, i.e., enormous investments and broad development. From the medium and small-scale foreign traders engaged in processing and assembly using materials and parts imported for that purpose in the early period, there are now large consortiums and large enterprises employing rather advanced technological facilities. For example, most recently, Mr Hu Yingxiang [5170 2019 3276] of the Hehe Corporation of Hong Kong signed an agreement with us for 2 billion Hong Kong dollars to develop cooperatively 30 square kilometers and build a new district of Shenzhen centered on commerce, complete with business, housing, education and culture,



public health services and with municipal government facilities, railways, highways and sea transport linked together. The Liancheng Corporation of Hong Kong has also signed a 2 billion Hong Kong dollar agreement with us to jointly develop a 6-square-kilometer scientific education district in Houhaiwan and a 260,000-square-meter light and electronics industry area on the eastern side of Wenjindu.

Large-scale construction of the entire Shenzhen special zone has already begun. Last year, the amount of capital construction investment in projects which were completed in the city was 147 million yuan, over 300 projects were started, the area of construction was 780,000 square meters, and the area of construction completed was 450,000 square meters; the investment completed and the area of construction completed were both equal to the sum total of those for the past 3 years. Basic construction in the special zone is progressing as planned. Among the projects, the first one started was the 1.6-square-kilometer Lohu area. Here construction is planned for nearly 100 buildings of 18 stories or more, at an investment of nearly 3.8 billion Hong Kong dollars over a construction area of 2.4 million square meters; construction of the basic projects of water supply, electricity supply, drainage, telecommunications, gas, highways and sewage are already all underway; construction has already begun on a special zone telecommunications building and on 10 high rises, including the International Commercial Hall, the Lohu Hall and the Friendship Palace. To meet the needs of this large-scale construction, with the vigorous support of some departments of the Central Committee and some provinces and cities, over 200 engineers, nearly 60 construction units and over 30,000 construction workers have been temporarily transferred from outside areas.

In the process of stressing economic construction, the Shenzhen special zone, in line with the principles of retrenchment and greater effectiveness, has actively carried out reform of the organizational structure and economic management system. For example, there used to be 65 administrative units above bureau level, but now, apart from 36 administrative units which were retained, the others have been eliminated; some were combined and some were turned into economic organizations. Under the leadership of the municipal committee and government, it has been decided that the Special Zone Development Company will combine administration of developing special zone land and real estate management, and will carry out the important projects. At the same time, a new Lohu District Committee and People's Government were set up to take responsibility for municipal management within the special zone, and the Bao'an County organizational system was restored to administer the villages of Shenzhen which were not in the special zone. Through such reform, a swollen leadership system and managerial agencies and the defects of too many administrative levels have been initially overcome, creating conditions for raising work efficiency. At the same time, many enterprise units by combining the specific situation of the special zone have carried out courageous pilot reforms in personnel systems, labor wages, and management and have begun to get encouraging results.

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CSO: 4006/533

## FOREIGN TRADE

### FUJIAN USES IMPORTS TO BUILD UP EXPORTS IN TEXTILE GOODS

Fuzhou FUJIAN RIBAO in Chinese 19 Mar 82 p 2

[Article: "'Utilizing Imports To Develop Exports'" Breaks New Paths, Textile Goods Exports Increase Rapidly; Fujian Textile Goods Exports Last Year Generated Over 70-fold Increase Over 1979 and Creates High Grade Goods With Ability To Compete in International Market"]

[Text] Last year Fujian textile goods exports to 14 countries and regions created \$6 million in foreign exchange for the nation, an increase over 1979's total of \$76,000 or an increase of over 70-fold and created some high grade goods with the ability to compete in the international market. A new path has been opened for Fujian to implement the special zone policy and flexible measures, to launch a campaign "using imports to develop exports" and to develop textile goods exports.

Last year some comrades said that Fujian was an area that had to import "cotton, cotton yarn and cloth" and was not suited for developing textile goods exports. But the Textile Goods Exports Company felt that the market in textiles internationally was very broad and that its proportion of the gross world export trade was very big, reaching about \$100 billion annually. Fujian has the conditions for developing textile goods exports. Implementing the special zone policy and the flexible measures is one of the basics and in addition, Fujian has a certain textiles foundation and technical ability. According to statistics, Fujian textile enterprises number over 30 and many textile mills have moved from Shengnang, so there is great potential for producing export textile goods. Expanding textiles to produce exports will require little investment, will show quick results and will yield great returns. The problem of insufficiency of raw materials can be solved through "using imports to develop exports." This is an effective method in those world countries and regions which have developed textile goods exports, but do not produce the raw materials. Last year, the fact that the Fujian Textile Goods Export Company spent \$2.42 million to import some raw materials, processed them into textile goods exports and, after paying off principal and interest, earned \$1.3 million in foreign exchange is future evidence.

In a short time the Fujian Textile Goods Export Company could advance Fujian's textile goods exports into the international market and begin to earn a reputation. Their experience is one of positive attitude, flexible measures

and a pledge of "diligence." They include the "four diligents". One is to be diligent in looking into commercial information. They feel that this is the primary issue in expanding textile goods exports. They have collected a variety of materials through various channels, have analyzed market changes and trends, and promptly supplied mills with the commercial information collected, up-to-date domestic and foreign samples, specimens, and materials, and stressed research and development, so that production and exports could be expanded. For example, Fujian's clothing industry used to be backward and the varieties of goods were dull and styles were outdated. They supplied the production departments with a lot of materials for study and innovation and quickly got Fujian clothing into the international market. Last year exports increased more than 7-fold over the year before last. Clothing produced in Xiamen and Anxi has been well received in the US market. This year another contract has been signed between Fuzhou and foreign business to import raw materials to be made into clothing with a volume of up to \$1.5 billion. Second is to be diligent organizing sources of goods. Without an ample supply of goods for export to satisfy needs it is impossible to speak of rapidly developing textile goods exports. Last year Fujian's textile goods purchases were over 24 million yuan an increase of 152 percent over the previous year. The two kinds of goods we used to export increased to 17; 94 percent of the agreements for knitwear was satisfied. To ensure an abundant and stable supply of textile goods for export, they have expanded the textile goods export base through an alliance of industry and trade. For example, foreign trade investment of 1.5 million yuan combined with investment from the Quanzhou Textile Mill expanded the mill, adding 200 broadlooms which after going into production can supply over 5 million meters of broadloom exports. Third is to be diligent in marketing the products. Last year, in addition to participating in the spring and autumn trade fairs, we also participated in 4 small scale trade fairs and chose our customers carefully taking the initiative to hold export talks, so that we concluded contracts worth \$12.98 million. They also organized people to go to Hong Kong and Mexico to solicit business and opened new markets. They marketed both high and medium grade good selling products as well as the excess product of Fujian's productive ability. Through marketing last year, the volume of exports of towelling increases sharply to put Fujian in third place nationally, after Shanghai and Beijing. Four is to be diligent about resolving problems. Last year, Fujian set for this mill an export plan of \$2.5 million, but the raw materials allocated were only enough to supply production of export textile goods worth \$1.62 million. Without waiting or worrying about difficulties they went ahead and actively organized raw material supplies to complete their export plan. They engaged in "using imports to develop exports" and finally completed their annual export plan by 113 percent. Variety of goods has increased with the expansion of textile goods exports but the equipment in some mills was not suited. They helped the changfang [0617 2455] bring in some advanced technology and add some necessary new equipment. For example, the Quanzhou Handkerchief Mill brought in 50 jacquard looms, the Nanping Knitted Goods Mill and the Fuzhou Knitted Goods Mill also brought in over 40 pieces of equipment including knitting dayuanji [1129 0955 2623], double-knit machines and button sewing machines through compensatory trade.

Fujian's textile goods exports' beginning has been good and the potential is still great. But it should be noted that there are still problems in textile goods exports now that urgently need to be solved, such as the fact that there are many low grade and few middle and high grade goods among exported textile goods. In particular, a group of "first" goods which are reliable and generate a high foreign exchange return has not yet taken shape and in implementing special zone policy and flexible measures there are still some areas where there are insufficient special zones and flexibility. If we can further liberate our thinking, rouse our spirits, go all out and rapidly as possible fully utilize favorable conditions, concentrate our strength on rapidly building a textile goods export base, organize a group of special plans for advanced textile goods exports, further reform the structure of textile goods exports, to raise the competitive ability of our textile goods in the international market Fujian's textile goods exports can make a great leap forward.

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CSO: 4006/396

## FOREIGN TRADE

### BRIEFS

HEBEI EXPORT COMMODITY BASES--Shijiazhuang, 18 Apr (XINHUA)--Hebei Province has increased production of export commodities at a rate of 40.5 percent annually since 1978, and the value of exports went over 760 million U.S. dollars in 1981, according to the provincial foreign trade bureau. This growth was a direct result of setting up new production bases for export commodities. Since 1976, the province has put more than 45 million yuan into construction of multi-product bases at Zhangjiakou and Shijiazhuang. Meanwhile, provincial foreign trade departments have invested upwards of 140 million yuan in a number of factories producing for export and helped them import advanced equipment and technology. Hebei is also setting up some single-product bases for beef cattle, chestnuts, apples and goatskins. The province purchased about 200 million yuan worth of products from these bases in 1981. [Excerpt] [0W181303 Beijing XINHUA in English 0742 GMT 18 Apr 82]

CSO: 4020/121

## LABOR AND WAGES

### STATE STRENGTHENING LABOR PROTECTION FOR WOMEN

OW030227 Beijing XINHUA in English 1200 GMT 30 Apr 82

[Text] Beijing, 30 Apr (XINHUA)--Women workers in China are usually not assigned to do heavy work but are matched with jobs according to their physical abilities, said Wu Lan, director of the women department of the All-China Federation of Trade Unions in an XINHUA interview today.

There are now 39.35 million women working in state and collectively-owned factories and enterprises, accounting for 36 percent of the total workforce, according to this 60-year-old woman director.

Wu Lan said that the State Bureau of Labor, the All-China Federation of Trade Unions, the All-China Women's Federation and the Ministry of Public Health as well as other government departments are in the process of drafting a new national "regulations on protection of women workers" in light of proposals made by women delegates to the National People's Congress and women members of the Chinese people's political consultative conference.

The Mongolian director, who herself served in a cavalry unit in China's war of liberation (1946-1949) and was known for her ability to shoot with both hands, nonetheless emphasized attention on women's physical abilities.

Wu Lan pointed out that during the ten years of the "Cultural Revolution," it was advocated that women should do all heavy labor that men do to prove their equality with men. Hence, all women work units were formed to work on high tension power lines and to operate fishing fleets. "This," she said, "in fact is inequality."

According to the existed rules of the labor insurance regulations, expectant and nursing mothers should not be exposed to toxic substances during these two periods, and should be assigned to lighter work if they experience any difficulties. Factories cannot prolong their working hours. Regulations are also listed dealing with prenatal examination, feeding time and the health care of mothers and children. Pregnant women workers receive regular medical check-up free of charge, and they are provided with free medical treatment



during this time. Women workers receive 56 days maternity leave with full pay. As the state advocates one-child family, some factories and enterprises give half a year leave with full pay to those women giving birth to their only child.

Special rooms for expectant mothers, as well as nursing rooms, have been set up in factories. Feeding mothers can feed their babies twice a day with 30 minutes each time during their working hours, and they are not docked for this time. Babies from the age of 56 days up to pre-school age can be sent to factories nurseries and kindergartens.

Cars are made available by factories for pregnant women and nursing mothers when they go to work and go back home and at meals. Special dishes are provided for them.

For example, many enterprises and factories in China have set up a health-examination card program for women workers. They enjoy free regular medical cervical and breast examinations.

Explaining the role of her department, Wu Lan said that the All-China Federation of Trade Unions would see that factories and enterprises protect women's rights and implement all relative regulations.

"There are many improvements possible in our work and we will work toward that end," she said.

CSO: 4020/124

## LABOR AND WAGES

### PEOPLE'S LIVELIHOOD IN BEIJING IMPROVING

Beijing ZHONGGUO CAIMAO BAO in Chinese 27 Mar 82 p 2

[Article: "People's Livelihood in Beijing Improving and Rising; Increases in Number of Persons Employed and in Workers' Wages"]

[Text] According to a survey of livelihood among 1,200 worker families by the Municipal Statistics Bureau in which consumption in 1981 was compared with that in 1978, there was an increase in food consumption of 27.4 percent, an increase in clothing consumption of 42 percent and an increase in outlay of 47.5 percent. Savings in the city as a whole in February 1982 increased by 90.4 percent as compared to 1978.

Over the past several years, there have been increases both in the number of persons employed and in workers' wages in Beijing City, with improvement and elevation in the people's livelihood being obtained. According to statistics from the relevant sectors, more than 800,000 people have been placed in employment. At present, the worker family support coefficient has fallen to 0.47 persons from 0.68 persons in 1977.

Since the Third Plenary Session of the party, there has been an increase in the number of persons employed as well as a general increase in the number of workers in the city as a whole as the national economy has been readjusted. Last year, there was an increase of 65 percent over 1978 in cash outlays for wages in the city as a whole. In addition to wages, there were also increases in such supplementary forms of income as bonuses and allowances. On the basis of a survey of 1,773 young workers in 48 collective ownership units in the municipal district, it was found that the average monthly income was 54 yuan 4 jiao. Basic wages accounted for 65 percent of this and supplementary income such as bonuses accounted for 35 percent. At present, there is a considerable increase in the incomes of industrial workers. The supplementary income such as bonuses of some industrial workers exceeds 40 percent of their total income. After the reinstatement of such provisions as subsidies for additional teaching, payments for manuscripts and health allowances, there have been increases of differing degrees in the incomes of intellectual elements in universities and specialized institutions and scientific research units and of health system workers. On the basis of a survey of 224 households of workers, it was found that 29.5 percent had average monthly incomes per person of 40 to 50 yuan and that 33 percent had incomes of over 50 yuan. At the end of January of this

year, the average monthly income of 7,565 persons (excluding apprentices) in 6,217 business and industrial households was in excess of 70 yuan. In some cases, it was over 200 yuan. On the basis of a survey of 20 individual households, it was found that in addition to acquiring such expensive goods as furniture, television sets and recorders, they also had average monthly savings per household of 804 yuan.

The increase in workers' incomes has brought about changes in the structure of consumption. On the basis of a survey of living conditions in 1,200 households of worker families by the Municipal Statistics Bureau, last year there were increases in food consumption of 27.4 percent, increases in clothing consumption of 42 percent and increase in personal consumption of 47.5 percent as compared to 1978. The extent of the increases in clothing and personal consumption greatly exceeded the extent of increase in food consumption. This point indicates an elevation in the standard of living of worker families. The increase in food consumption was due primarily to increases in consumption of nonstaple foods and not to increases in staple foods (grains). In clothing consumption, there has been a change from emphasis on cotton textiles to an emphasis on chemical fibers, woolen goods and silk. Personal consumption has involved a change from inexpensive goods to expensive goods. In six units such as the Xidan vegetable market, total sales for the Spring Festival this year increased by 13.7 percent over those for the Spring Festival last year. In the opinion of the concerned commercial departments, sales during the Spring Festival this year had three principal characteristics: rapid sales of goods with high nutrient value and high selling prices such as crab meat, shrimp meat, chicken, fine vegetables and prepared meat products; a large increase in total sales of pastries and fruits; and a 91.5 percent increase in sales of fire-crackers as compared to the same period last year. Over the past several years, television sets, taperecorders and washing machines have gradually become household necessities for workers in Beijing City, with the ratio of dissemination of television sets among worker families reaching over 70 percent.

There has been a rapid increase in savings deposits throughout the city as a whole over the past few years and there has also been a great increase in the amount of cash being held by workers. At the end of 1978, there was a total of over 3.38 million depositors in the city as a whole with a total amount of deposits of over 880 million yuan and with an average deposit per person of 191 yuan. By the end of last year, there had been an increase to more than 5.47 million depositors with a total amount of deposits of over 1.57 billion yuan and with an average deposit per person of 301 yuan. In the first 2 months of this year, deposits increased by 105.6 million yuan, exceeding the highest levels historically for the same period. In February 1982, there was an increase in total savings deposits for the city as a whole of 90.4 percent as compared to 1978.

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CSO: 4006/397

## LABOR AND WAGES

### MORE MONEY ALLOCATED FOR PEOPLE'S LIFE IN XINJIANG

OW261403 Beijing XINHUA in English 1307 GMT 26 Apr 82

[Text] Urumqi, 26 Apr (XINHUA)--The Xinjiang Uygur Autonomous Region has allocated more than 2,800 million yuan in the past three years to improve daily life, a 53 per cent higher per capita expenditure than the average level of the country.

In recent years, minority nationalities have received special attention from the state. Each year the state gives more than 1,000 million yuan in subsidies to Xinjiang to help develop its economy and culture and to improve its people's life.

From 1979 to 1981, the average wages of working people in the autonomous cities and towns increased 175 yuan, 29 per cent higher than that of the three previous years. Welfare supplements, including heating and health subsidies have also been improved.

The investment in residential construction in the past three years amounted to 66 million yuan, a 160 per cent increase. According to incomplete figures, a floor space total of 5.5 million square meters, of residential quarters have been built.

The autonomous region also helped 470,000 people obtain jobs, and allocated 950 million yuan to raising income of peasants and herdsmen by subsidising the state purchasing prices of their products while at the same time reducing agricultural taxes in the past three years.

CSO: 4020/124

BRIEFS

**JILIN MUNICIPALITY ECONOMIC SITUATION**--The Jilin Municipal CCP Committee, Jilin Province, is conducting propaganda on the economic situation among the broad masses of workers and staff as well as inhabitants in urban areas. At a recent municipal meeting of government functionaries, (Jiang Zhuo), first secretary of the municipal CCP Committee, spoke on the municipality's economic situation. He said: The economic situation and people's livelihood in Jilin Municipality have improved year after year. In 1981, despite many natural calamities, output of grain and soybeans increased 1.3 percent over 1980. The 1981 average income of rural commune members from collective distribution increased 8.9 percent over 1980. In the past 3 years, the municipality has provided jobs for over 200,000 jobseekers and established 11,212 commercial centers. The municipality has built housing with floor space of 1.41 million square meters. [SK232225 Changchun Jilin Provincial Service in Mandarin 1100 GMT 22 Apr 82]

**ZHEJIANG CONSUMER GOODS**--With increase of income, the people in Zhejiang Province are spending more on food and consumer goods. In 1981, total consumer goods retail sales in the province amounted to about 8 billion yuan, up 81.3 percent from the 1978 sales of 4.46 billion yuan. In 1981, a total of 7,566,000 pigs, 2,717,000 poultry and 29,456,000 jin of eggs were marketed in the province while in 1978, only 5,100,000 pigs, 1,918,000 poultry and 18,269,000 jin of eggs were sold. [OW181103 Hangzhou Zhejiang Provincial Service in Mandarin 1040 GMT 14 Apr 82]

**SICHUAN WORKERS' WELFARE WORK**--Since the 3d plenary session of the 11th CCP Central Committee, Sichuan Province has increased the wages of staff and workers of the units owned by the whole people and actively solved the employment problems of their children. The province also has quickly increased the expenses for their labor insurance and welfare work. According to the statistics compiled by relevant departments, the actual expenses of the units owned by the whole people throughout the province last year in labor insurance and welfare work were double those in 1978 and the per capita expenses reached 95 yuan, which was equal to the average wages for 1 and 1/2 months. According to statistics, the expenses for staff and workers who left their employment, retired or died last year was 2.2 times greater than in 1978. [HK220805 Chengdu Sichuan Provincial Service in Mandarin 1100 GMT 19 Apr 82]

NEI MONGGOL MUNICIPALITY LIVELIHOOD--From 1979 to 1981, Jining Municipality, Nei Monggol, employed 14,200 jobseekers. Average income of each worker and staffmember increased from 648 yuan in 1978 to 804 yuan in 1981, an increase of 24 percent. In 1981, Jining Municipality marketed 2,975 televisions, 5 times that of 1978. Sales volume of radios was 9.9 times that of 1978, and that of wristwatches and sewing machines increased by 10 and 37 percent respectively. At the end of 1981, the year-end balance of savings deposits of workers and staff throughout the municipality increased from 7.57 million yuan in 1978 to 18.65 million yuan. Per capita savings deposits were 138.46 yuan. [SK122206 Hohhot Nei Monggol Regional Service in Mandarin 1100 GMT 11 Apr 82]

ZHEJIANG WORKERS' INCOME--Since the 3d plenum of the 11th CCP Central Committee, staff members and workers in Zhejiang Province have earned more income and lived a better life than before. According to statistics compiled by the Provincial People's Bank, 6.02 billion yuan were disbursed during 1979-81 in payment of wages and bonuses. During this period, employment was provided to 730,000 people. By the end of 1981, the number of staff members and workers showed an increase of 550,000 compared with 1978. Bonuses paid to staff members and workers totaled 694 million yuan during these 3 years, averaging 193 yuan per individual. [OW281307 Hangzhou Zhejiang Provincial Service in Mandarin 0400 GMT 25 Apr 82]

JILIN SELF-EMPLOYED YOUTHS--The number of self-employed persons in Jilin Province has increased to 55,600, a nearly six-fold increase over the 1979 level. Since the third plenary session, the province has implemented the party and state policy of broadening the employment roads and solving the employment problem in both urban and rural areas. The number of self-employed persons has increased continuously in the past 3 years. In 1981 alone, some 10,200 youths gained employment by setting up individual commercial entities, up 320 percent over 1980. [Changchun Jilin Provincial Service in Mandarin 1100 GMT 21 Apr 82 SK]

HEILONGJIANG LIVING STANDARDS--According to the work report given by Governor Chen Lei at the meeting of cadres from the Heilongjiang provincial level organs, the province had 34.05 billion yuan in industrial and agricultural output value in 1981, a 12.1 percent increase over the 1978 figure. The output value showed a yearly average increase of 3.9 percent. The per capita purchasing power of both urban and rural people has reached 76.3 yuan over the past 3 years. By the end of 1981, volume of deposits of both urban and rural people in the banks throughout the province reached 1.91 billion yuan, a 51.8 percent increase over the 1978 figure. The province has appropriated 6.9 billion yuan to improve the people's living standard, in which 2.33 billion yuan were delivered to rural areas and 4.57 billion yuan to urban areas. [SK292240 Harbin Heilongjiang Provincial Service in Mandarin 1100 GMT 27 Apr 82]

CSO: 4006/428



## TRANSPORTATION

### BRIEFS

PUBLIC ORDER OF RAILWAY INSPECTED--According to our sources, to end the confused public order on the Tianshui-Lanzhou Railway Line, leading comrades of the provincial people's government and the Lanzhou Railway Bureau recently led a work group to make inspections at major stations and sections along the railway line. Through observations, the work group contended that poor management is the major problem for the confused public order on the Tianshui-Lanzhou Railway. Therefore, railway departments should cooperate with local counties, communes and the masses to discuss and formulate a public pledge on loving railways, trains and cargo to enhance people's awareness in protecting state property. The work group stressed: Those who seriously disturb railway public order should be strictly dealt with and not tolerated. Leading groups for maintaining railway public order have already been established in various municipalities, counties, communes, stations and sections along the Tianshui-Lanzhou Railway line the public order of this line has begun to improve.  
[Text] [SK270415 Lanzhou Gansu Provincial Service in Mandarin 1125 GMT 26 Apr 82]

CSO: 4006/428

## GENERAL

### LINK BETWEEN ECONOMIC GROWTH RATE, RESULTS DISCUSSED

Shanghai WEN HUI BAO in Chinese 10 Feb 82 p 3

[Article by Liu Guoguang [0491 0948 0342]: "Economic Results and Rate of Development"]

[Text] The question of speed is an important issue in socialist construction. For a long time now we have made a high rate of increase in some commodities and industrial and agricultural production a central target in planning and have guided and arranged development of the entire national economy in accordance with this target. However, the rate of economic development is not determined by subjective desires, but to a considerable degree by the question of economic results. In his report on the work of the government presented at the Fourth Session of the Fifth National People's Congress, Premier Zhao Ziyang listed 10 principles for construction from now on. The central idea of these 10 principles is to take a new road consisting of a better rate of speed, better economic results and one through which the people can derive more material benefits. Correctly understanding and dealing with the relationship between economic results and rate of growth is very closely related to implementing the 10 principles of economic construction.

Generally speaking, the rate of growth and improving economic results are united. Overall and excellent economic results are certainly manifested in a stable rate of growth. For example, during the first 5-year plan, the rate of our economic development and results were basically in harmony. But under certain conditions there are contradictions between the two. Short-term and local high rates are often earned at a very high price, and this kind of rate not only cannot secure any good economic results, but often inflicts heavy damage on the national economy. For example, in the "Great Leap" during the second 5-year plan period, there was a clear deviation in rate and results. This deviation later reappeared, with the result that it was only possible to wish for speed, but not achieve it. This is an important reason for the long-term existence of a bad cycle in China's economy.

To overcome the bad aftereffects of a one-sided pursuit of high rates under the "leftist" guiding thinking, the Third Plenary Session of the 11th Party Central Committee proposed an eight-character policy centered on readjustment, and at the end of 1980 the Party Central Committee and the State Council

further announced a policy of additional readjustment of the national economy. Now, the implementation of the policy of readjustment has already made great gains and the bad cycle in China's economy has begun to change. Now, "high norms" are no longer undertaken, "high accumulation" has begun to drop, "low consumption" has begun to improve, and all economic structures have begun to take a rational change; in particular, a fundamental balance of finances and credit has appeared in the past year. In short, China's economy has begun to get on the track of stable development. However, it should be noted that the question of "low results" has still not been resolved very well. As of now many important norms which reflect economic results are not only lower than those of the economically developed countries, but even lower than levels we have achieved in the past. This is the most important feature influencing economic growth, state revenues and the national economy's turn toward a better cycle.

At present, the potential danger to the national economy has not yet been completely eliminated. The basic balance between revenues and expenditures in 1981 was realized mainly by cutting down on expenditures and was not consolidated. The financial difficulties we are facing have many causes, among which the fact that it has not yet been possible to improve economic results and that during the period of readjustment the growth rate of heavy industry has been lowered are both related. In these circumstances, what should we emphasize? Should we emphasize increasing the rate or should we emphasize economic results? In view of the fact that in the past we suffered a great deal from one-sidedly pursuing high rates, and in view of the fact that now in our attempt to cast off a bad cycle our economy is stuck mainly in "low economic results," emphasizing improvement of economic results has particular significance right now. If economic results were improved then we could have a true rate of growth.

We should rely on emphasizing economic results in formulating and implementing economic and social development plans in an effort to achieve a certain growth rate. For a long time we have been accustomed to stressing the rate of growth and have not stressed results. However, practice shows that by emphasizing only the rate of growth, we may overlook economic results; but emphasizing economic results can produce a real growth rate. Therefore, we believe that when formulating and implementing national economic plans it is extremely important to propose a rate of growth that economic efforts can achieve and is down to earth, unify demands for fixed quantity and strict quality, and pay very careful attention to economic results. This means that when setting growth rate norms of economic and social development plans it is necessary to leave some leeway. Particularly during the present period of readjustment, leaving some leeway in growth rate norms makes it possible for us to readjust structures, reform systems, reorganize enterprises and increase results in an unhurried fashion. A stable rate of growth is beneficial to increasing the results of the entire national economy and gathering strength for the future, and thus it is a rate of growth which is truly down to earth and has stamina.

Of course, we cannot deny the significance of the question of growth rate in socialist economic planning because of faults in past economic planning work.

In the long view, in particular, if a developing economy does not have a certain rate, then gradually strengthening the national economy, improving the people's standard of living and realizing the goal of modernization are out of the question. Thus the rate is inseparable from the developmental goal of our four modernizations. It is impossible to draft plans for economic and social development without taking as our point of departure a developmental goal which is interrelated with a certain rate. In terms of economic readjustment within a period of time, the growth rate cannot be too low, or else revenues and expenditures and the people's standard of living will be adversely affected, and if it is too low it will result in less than full utilization of existing means of production and labor force. Of course, the growth rate we want is not a rate which ignores objective possibilities, lacks overall balance and is not attentive to economic results, but it is a rate which proceeds from actual circumstances, has overall balance and is attentive to economic results.

In sum, as long as we consider improving economic results as central and conscientiously implement the 10 principles of economic construction, we can lay a good foundation during the 6th Five-Year Plan, eliminate the many evils in economic life, straighten out relations, and then on the basis of this new foundation, accelerate the growth rate of the national economy. In this way, in the 20 years or so up to the end of this century, it will be possible for us to realize a doubling of the gross value of industrial and agricultural output so that the people's standard of living will achieve a comfortable level. At that time, our nation can start anew to advance toward even higher targets of modernization.

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CSO: 4006/333

## GENERAL

### BRIEFS

UK-PRC CROSS-COUNTRY VEHICLE--Beijing, 22 Apr (XINHUA)--A new oil-saving overlander will be produced and made available for export by the Beijing Motor Vehicle Works with diesel engines provided by Perkins Engines of the United Kingdom. Zhang Yiliang, deputy manager of the Beijing branch of the China National Machinery and Equipment Import and Export Corporation, made the announcement in a press briefing this afternoon. He said that an agreement has been reached between his organization and the Beijing Motor Vehicle Works on one side and the Organization for Promotion of Commerce and Industry-International and Perkins Engines of the United Kingdom on the other side for the production of four-wheel drive utility vehicles. Under the agreement, the overlanders will be fitted out with Perkins diesel engines to cut oil consumption and reduce fuel cost by over 80 percent. John Harding, director of Perkins Engines, said that scheduled production of the overlander will start as from August this year. However, samples of four different models have been produced and one is on show at the current export commodities fair in Guangzhou. [Beijing XINHUA in English 1542 GMT 22 Apr 82 OW]

SHANDONG INSURANCE CONFERENCE--The Shandong provincial insurance work conference, which concluded on 20 April, urged efforts to develop the insurance business in a vigorous and reliable manner. Insurance departments at all levels should open new business items in addition to enterprise and vehicle insurances. The 28 counties which have not yet established insurance businesses should open insurance businesses by the first half of this year. Family property insurance should be opened this year in cities at or above county level. In the nine prefectures and municipalities under the jurisdiction of the provincial government, cargo transport insurance should be established. In addition, shipping insurance should be opened in Changdao County on a trial basis. Personal and accident insurance for workers and staff should be established on a trial basis at certain selected units and places. [SK211018 Jinan Shandong Provincial Service in Mandarin 2300 GMT 20 Apr 82]

INTERNATIONAL ECONOMIC ASSOCIATION MEMBERSHIP--Beijing, 12 Apr (XINHUA)--According to JINGJIXUE ZHOUBAO [ECONOMICS WEEKLY] published today, the China Federation of Economics Societies has joined the International Economic Association. [OW121247 Beijing XINHUA Domestic Service in Chinese 0249 GMT 12 Apr 82]

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May 21, 1982